# Decisions of the Board of Directors on 9 February 2021 concerning the remuneration of the Board members and the Group Chief Executive Officers[1]

On the proposal of the Remuneration Committee, and subject to validation by the General Meeting of 18 May 2021, the Board of Directors issued on 9 February 2021 the following decisions regarding the remuneration of the Board members and the Group Chief Executive Officers.

These decisions were taken in the very specific context of the global health crisis which has had a significant impact on the world's economies and financial markets.

As a reminder, the Board of Directors has decided not to modify the ex-ante remuneration policy for the assessment of the quantitative performance of the Chief Executive Officers and to keep, as reference budgetary targets, the underlying 2020 budget validated by the Board of Directors on 5 February 2020, before the outbreak of the health crisis. The qualitative performance criteria had integrated ex-ante in March a common objective for the Chief Executive Officers linked to sound operational management of the coronavirus crisis.

In addition, at the General Meeting of 19 May 2020, the Chief Executive Officers announced in advance that they wished to waive 50% of the theoretical annual variable compensation for 2020 resulting from the assessment of the Board of Directors meeting scheduled to take place on 9 February 2021, to help finance the global solidarity programme set up by Societe Generale. This programme aims to support associations placed on the front line in the face of the health emergencies and to contribute to the solidarity initiatives put in place by various governments.

Regarding the remuneration policy for 2021, the principles defined for the 2020 financial year have been renewed. The main change concerns the rebalancing of the weightings, between Group and business indicators, of the quantitative criteria for the annual variable compensation of Chief Executive Officers, in order to take into account the new organisation of the General Management, decided in August 2020. The weighting of the collective and individual criteria for assessing qualitative performance have also been adapted in order to strengthen the individual portion versus the collective one.

## I – REMUNERATION OF THE BOARD MEMBERS

The amount of the total remuneration of the Board of Director members (€1,700,000), the number of beneficiaries of which will increase from 12 to 13 following the election of the new Director representing employee shareholders, remains unchanged and its allocation described in article 15 of the Board of Directors' Internal Rules also remains unchanged for 2021, and the allocation method detailed in the 2020 Universal Registration Document. This remuneration includes a fixed portion, the individual amount of which is linked to the responsibility of each Board member (Chairman of the Committee, member of the Committee) and a variable portion linked their attendance.

The Chairman of the Board and the Chief Executive Officer do not receive any remuneration as a Board member.

The individual allocation of the Board members' remuneration for 2020 is presented in the appendix.

## II – REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The fixed remuneration of Lorenzo Bini Smaghi has been an annual gross amount of €925,000 since May 2018 and will remain so until the end of his term of office.

His status remains unchanged. He does not receive remuneration as a Board member, nor long-term incentives, nor variable remuneration.

[1] Remuneration of Group Senior Management is detailed in the Universal Registration Document.

**III - REMUNERATION OF CHIEF EXECUTIVE OFFICERS FOR THE 2020 FINANCIAL YEAR**

**A - Fixed remuneration for 2020**

The fixed compensation of Chief Executive Officers for 2020 remained at the same level as that of the previous year.

**B - Annual variable remuneration for 2020**

In accordance with the principles defined by the Board of Directors in February and March 2020, the annual variable remuneration awarded for 2020 was 60% based on the achievement of quantitative targets and 40% on the achievement of qualitative targets.

Following the changes in the organisation of the Group General Management announced on 4 August 2020, the Board of Directors of 23 September 2020, as proposed by the Compensation Committee, adapted the structure of the quantitative and qualitative objectives of Chief Executive Officers in order to take into account the new organisation of the General Management as of 1 September 2020.

Since that date, Diony Lebot, is more particularly in charge of the supervision of the Risks and Compliance functions, the Financial Services (ALD and SGEF) and Insurance activities of the Group and Philippe Aymerich is more particularly in charge of the supervision of French Retail Banking activities and their Innovation, Technology & IT department, and the International Retail Banking activities.

The criteria remain unchanged.

In accordance with the remuneration policy approved by the General Meeting of 19 May 2020, these criteria have the following characteristics:

- Regarding quantitative criteria:

    - For Frédéric Oudéa, the qualitative portion is calculated according to the achievement of the targets in terms of Return on Tangible Equity (ROTE), the Core Tier 1 ratio and cost/income ratio, all measured at the Groupe level, the targets being equally weighted;

    - For Philippe Aymerich and Séverin Cabannes, the quantitative criteria are based on the Groupe's financial targets (Return on Tangible Equity - ROTE, the Core Tier 1 ratio and cost/income ratio) and the targets for their scope of responsibilities (gross operating income, return on normative equity - RONE and cost/income ratio for activities within theirs supervision scope);

    - For Diony Lebot, for the period before the 1 September 2020, the quantitative criteria relate to the performance of the Group (in terms of ROTE, Core Tier 1 ratio and cost / income ratio), and, for the period after the 1st September 2020, the economic criteria relate to both the Group and its specific scope of responsibility (in terms of gross operating income, return on normative equity - RONE and cost / income ratio for activities within its supervision scope).

These objectives are fixed and measured based on budgetary figures. No element considered as exceptional by the Board of Directors is included. The achievement of the budget target corresponds to an achievement rate of 80%. The maximum quantitative portion of the variable remuneration equates to 60% of the maximum amount of annual variable remuneration (equal to 135% of the fixed remuneration for the CEO and 115% of the fixed remuneration for the Deputy CEOs).

- Regarding quantitative criteria:

They are based for 70% on the level of achievement of qualitative targets common to all Chief Executive Officers and for 30% the targets specific to the areas of supervision.

These objectives are assessed based on key questions defined *ab initio* by the Board of Directors. The objectives are subject to a weighting also defined *ab initio*. The achievement rate range is 0 to 100% of the maximum qualitative portion. The maximum qualitative portion corresponds to 40% of the maximum annual variable compensation (135% of the fixed remuneration for the CEO and 115% of the fixed remuneration for the Deputy CEOs).

**B.1 – Achievement of the quantitative objectives for 2020**

The global health crisis in 2020 resulted in a 7.6% (vs. 2019) decrease in net banking income for the Group, at constant scope and exchange rates. After the impact of the crisis and the disruption of the markets in the first half of the year, the performance of the Group's three major business lines improved markedly in the second half of the year amid a persistently uncertain environment. Underlying operating costs were down -2.8% at constant scope and exchange rates, and in line with the year's targets. The commercial cost of risk totalled 64 basis points in 2020, representing a net cost of risk of €3,306 million (vs. €1,278 million in 2019), reflecting both prudent provisioning and a very healthy loan portfolio. For the year as a whole, underlying Group net income reached €1,435 million, and accounting Group net income at -€258 million. Underlying ROTE stood at 1.7% and accounting ROTE at -0.4%. In addition, the Group reinforced its financial solidity throughout the year on the strength of its CET1 capital ratio which at 31 December 2020 stood at 13.4% (i.e., around 440 basis points above the regulatory requirement).

The Group's results differ substantially from those projected in the 2020 budget, before the outbreak of the health crisis. Consequently, the quantitative target achievement rate is zero for the financial indicators relating to the Group, the exception being the CET1 capital ratio target which was met at 100%. With regard to the business parameters concerning the three Deputy CEOs, the achievement rates are zero for Séverin Cabannes (Wholesale Banking) and are only marginally achieved for Diony Lebot (Specialised Financial Services for the last four months of the year) and Philippe Aymerich (French and International Retail Banking).

These results are summarised in the table in paragraph B.3 below.

**B.2 – Achievement of the qualitative objectives for 2020**

At its meeting on 12 March 2020, the Board of Directors set qualitative targets for the 2020 financial year including a specific criterion on good operational management of the coronavirus crisis. These objectives were reallocated without modification by the Board of Directors on 23 September 2020 to take into account the new organisation of the General Management decided in August 2020.

These targets are distributed for 70% on objectives common to the four Chiefs Executive Officers and for 30% on objectives specific to the areas of responsibility.

In order to assess the achievement of the qualitative objectives, after consulting the Compensation Committee, the Board of Directors took into account the following achievements.

**Board's assessment of the collective objectives of the Chief Executive Officers**

The Board of Directors considered that the objective of **defining and implementing the Group's strategy** has been very largely achieved. The Group has defined the priorities of the 2021-2025 Group Strategic Plan for all the business lines which focus on customer centricity, responsibility and operational efficiency. These priorities are in line with the Corporate Purpose of the Group. The Group cascaded the strategic plans to some of its leading businesses, such as French Retail Banking, by launching the merger of the Societe Generale and Crédit du Nord retail banking networks, by ramping up the development of Boursorama, ALD and KB, and, over the course of 2020, by strengthening its Corporate and Social Responsibility commitments.

With regard to the **appropriate management of scarce resources** for the purposes of prioritising profitable and growth-promoting activities and pre-empting regulatory impacts, the Board of Directors noted that changes in RWAs were well managed despite the effects of the crisis. The allocation of resources to organic growth has also been favourable to the Group's profitable activities with a high growth potential.

In terms of the **Group's operational efficiency**, the deployment of numerous initiatives based on new technologies continued over the year, improving key processes and generating efficiency gains. The cost target set for the year, including significant savings to factor in the onset of the crisis, was met. Lastly, the organisation and governance of the IT service were strengthened by focusing on synergy and pooling opportunities.

The **Group's successful expansion of its digital footprint continued** over the year, with a number of high financial impact data and artificial intelligence use cases going live in 2020.

The Board of Directors noted that **customer satisfaction** remained stable on the whole, with disparities among certain businesses, geographies and customer segments, and that the initial goal of improvement across all markets had only partially been achieved. In 2020, the digital offering was enhanced to respond to accelerated changes in client usage across all customer and market segments. The initial results of the work carried out on customer knowledge is already visible in terms of customer perception.

The Board of Directors considered that its **Corporate and Social Responsibility** (CSR) objectives have been achieved. The Group exceeded its ranking targets by extra-financial ratings agencies and achieved its voluntary commitment to raise €100 billion by 2020 for the energy transition one year in advance. CSR priorities have been integrated into the strategic business roadmap and studies in order to measure the initial impacts achieved. Specific commitments with respect to credit portfolio alignment are being made.

In the context of a major health and economic crisis, employee engagement has slightly reduced. Internal communication campaigns were nevertheless put in place to place employee engagement on a positive trend. This means that the initial objective was only partially achieved.

The Board of Directors considered that the Executives Officers broadly met their **compliance and remediation** objectives. The 2020 Know Your Client compliance target has been met. During the year, despite the constrained context due to the health crisis, the global risk appetite reduction system was again implemented in all businesses concerned. The 2020 deadlines have been met regarding permanent control and remediation. Finally, the French financial prosecutor's office closed the proceedings initiated against Societe Generale at the end of 2020.

The Board of Directors considered the **operational management of the coronavirus crisis** to be excellent. In fact, the preventive management measures that were implemented successfully enabled the continuity of the bank's activities, the secure and rapid mobilisation of resources to support customers across locations, the deployment of the exceptional support mechanisms put in place by public authorities, and the smooth running of the bank.

The Group's teams have made significant efforts to support its customers across its geographies. This was particularly the case in France with the deployment of the state-guaranteed loan (€18 billion in France out of a total of €19 billion).

Effective measures to protect staff and stakeholders were also implemented: no Covid-19 clusters were identified within the Group and no protective measures deficiencies were observed by the labour inspectorate. Masks and sanitising products were supplied locally or by head office in a timely manner and in all countries.

Effective governance and other measures (regular communication, counselling units, coaching offers, protection of remuneration) have contributed to the support of employees.

This management process mitigated the impact of the crisis on risks, which were kept under control. Activities were maintained at the best possible levels and operational loss was limited. The Group has therefore made the appropriate internal arrangements to manage all aspects of the Covid-19 crisis, in terms of health, the economy and finance.

**Board of Director's assessment of objectives specific to the areas of responsibility**

The Board of Directors considered that **Human Resources management** allowed for support of the Group's transformations while also managing very satisfactorily the effects of the crisis leading to the adaptation of working methods. Thanks to an open and constructive social dialogue maintained throughout the year, many agreements were negotiated and signed: crisis management agreements in April and June 2020; agreements on the transformation of French Retail Banking; GBIS transformation agreements; agreements on changes in corporate departments; agreements on the transformation of staff management and on the organisation of work (teleworking).

The Chief Executive Officer has satisfactorily conducted the process of renewing the General Management team and in full coordination with the Board of Directors, notably with the appointment of the three Deputy General Managers. Talent management initiatives consolidated the talent pools and promoted diversity.

**The remediation programme** in the United States was continued and executed in accordance with objectives.

The **improvement of the operating model** of the corporate departments continued. At the end of the year, the project to adapt the Compliance and Risk organisations was submitted. In keeping with other projects, it aims to improve operational efficiency to reduce the current cost structure while processing our major remediation programmes or compliance with future regulations. This streamlining will allow to achieve our net cost reduction target by 2023.

Regarding the improvement of the GBIS operating model, all the measures undertaken over the past two years have allowed a 9.6% decrease in GBIS's overheads in 2020 compared to 2018.

The operational performance of the Group's IT systems (security, quality of service and cost) and their adaptation to new business challenges continued to be strengthened, especially through projects aimed at pooling digital tools and converging certain management and oversight tools. The optimisation of resources played a major role in meeting the cost trajectories announced in 2020.

In **French Retail Banking**, the considerations of the merger of the Societe Generale (BDDF) and Crédit du Nord networks was initiated at the end of June 2020 and resulted in the approval of the Board of Directors in early December 2020. In addition, the final phase of French Retail Banking's 2017-2020 transformation has been fully rolled out. Despite the Covid-19 crisis, Crédit du Nord adhered to the 2020 transformation schedule. Boursorama not only executed but exceeded its customer development plan (2.6 million customers vs. 2 million targeted) and the Board of Directors approved the new strategic priorities for 2025.

Concerning **AFMO** in Africa, the streamlining of its resources and organisation at Paris, regional and entity levels continued, particularly with respect to the restructuring of the Paris head office and the launch of the back-office pooling plan. Overall, the development plan in Africa has been disrupted but not hindered by the Covid-19 crisis. The "Grow with Africa" campaign is bearing fruit in all four areas: SMEs, infrastructure, financial inclusion and innovative financing.

In the **EURO** Europe Retail Banking business, the platforms' transformation plan was executed in line with expectations. Also noteworthy was the acquisition of a majority stake in Reezocar (a French platform specialising in the online sale of second-hand cars to individuals). Efforts to digitalise the offer were increased in the Czech and Romanian SG entities to facilitate the customer experience and improve the product and service uptake rate. Finally, KB has defined and communicated its strategic plan for 2025.

**SG Russia** has rolled out its transformation programme in accordance with its 2020 ambitions. Digital sales and customer acquisition are growing strongly: one million customers using digital tools and more than 30% of digital sales in the private individual customer segment. The branch closure programme was carried out beyond its initial objective. Significant efforts have also been made to reduce overheads. Rosbank launched several initiatives in 2020 to strengthen its selectivity in retail banking and focus on safer, more profitable production.

Regarding **ALD**'s vehicle fleet management, the succession of General Management was managed smoothly. ALD has successfully maintained its leadership position and adapted its strategy and internal structure. In response to the crisis, ALD implemented a specific adaptation plan. ALD also officially announced its new strategic plan (Move 2025) on 12 November 2020. ALD intends to remain a solid growth engine for the SG Group, and to become a major player in the mobility sector thanks to developments in the full-service leasing business, an extensive network of partners, new mobility solutions and targeted investments in digitalisation.

In the **ASSU** insurance business, the transformation of the operating model accelerated in 2020 thanks to the ramp-up of the Orléans and Casablanca sites, and to increased delegation of non-strategic management activities to specialised partners. Internationally, all the "bancassurance" development programmes in the main regions have been launched (Morocco, Czech Republic, Romania, etc.). Also, a new subsidiary in Tunisia, in partnership with the UIB, was created. The development of activities with external partners in life insurance, savings and corporate retirement exceeds the objectives.

Concerning **SGEF**, the closure of SG Finans was carried out according to the initial plan. A new IT structure has been put in place.

### B.3 – Summary of the results of the assessment of quantitative and qualitative objectives for 2020

Detailed achievement rates by objective approved by the Board of Directors are presented in the table below:

| | | F. Oudéa | | Ph. Aymerich (1) | | | | S. Cabannes | | D. Lebot (2) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Before 1/09/2020 | | As from 1/09/2020 | | | | Before 1/09/2020 | | As from 1/09/2020 | |
| | | Weight | Achievement rate | Weight | Achievement rate | Weight | Achievement rate | Weight | Achievement rate | Weight | Achievement rate | Weight | Achievement rate |
| **Quantitative objectives – 60%** | | | | | | | | | | | | | |
| **Group perimeter** | **ROTE** | 20% | 0.0% | 10% | 0.0% | 10% | 0,0% | 10% | 0.0% | 20% | 0,0% | 15% | 0.0% |
| | **CET1 Ratio** | 20% | 20.0% | 10% | 10.0% | 10% | 10.0% | 10% | 10,0% | 20% | 20.0% | 15% | 15,0% |
| | **C/I** | 20% | 0.0% | 10% | 0.0% | 10% | 0,0% | 10% | 0.0% | 20% | 0.0% | 15% | 0.0% |
| **Scope of responsibility of Deputy CEOs** | **GOI** | | | 10% | 0,0% | 10% | 0.0% | 10% | 0,0% | | | 5% | 2.5% |
| | **C/I** | | | 10% | 4.7% | 10% | 5,3% | 10% | 0.0% | | | 5% | 3.6% |
| | **RONE** | | | 10% | 0.0% | 10% | 0,0% | 10% | 0.0% | | | 5% | 0.0% |
| **Total quantitative objectives** | | **60%** | **20.0%** | **60%** | **14.7%** | **60%** | **15.3%** | **60%** | **10%** | **60%** | **20.0%** | **60%** | **21.1%** |
| **Achievement rate for the quantitative objectives** | | **20.0%** | | **14,9%** | | | | **10%** | | **20.3%** | | | |
| *Quantitative objectives achievement %* | | *33.3%* | | *24.8%* | | | | *16,7%* | | *33.9%* | | | |
| **Qualitative objectives – 40%** | | | | | | | | | | | | | |
| **Collective** | | 28% | 24.2% | 28% | | 24.2% | | 28% | 24.2% | 28% | | 24.2% | |
| **Specific to areas of responsibility** | | 12% | 10.6% | 12% | | 10.8% | | 12% | 10.6% | 12% | | 10.7% | |
| **Achievement rate for the qualitative objectives** | | **34.8%** | | **35.0%** | | | | **34.8%** | | **34,9%** | | | |
| *Qualitative objectives achievement %* | | *87.0%* | | *87.5%* | | | | *87.0%* | | *87.1%* | | | |
| **Achievement rate for the 2020 objectives** | | **54.8%** | | **49.9%** | | | | **44.8%** | | **55.2%** | | | |

Note: In this table, rates are rounded for presentation purposes
ROTE: Return on Tangible Equity
CET 1 Ratio: Core Tier 1 Ratio
C/I: Cost/income ratio
GOI: Gross operating income
RONE: Return on normative equity

(1) As of 1 September 2020, Philippe Aymerich, who until then was in charge of supervising Retail banking activities in France, also took over the supervision of all International retail banking activities and Consumer credit activities. Consequently, its performance up to 1st September 2020 is assessed on the Group scope and one supervision scope and, from 1 September 2020, on the Group scope and two supervision scopes. The overall achievement rate indicated in the table takes this weighting into account.

(2) As of 1 September 2020, Diony Lebot, who until then was in charge of Risk, Compliance and Internal control supervision and Sponsor of the Group's Social and Environmental Responsibility, was entrusted with the supervision of the Group's financial services and insurance activities. Consequently, its performance up to 1 September 2020 is assessed exclusively on the Group scope and, from 1 September 2020, on the Group scope and businesses under supervision scope. The overall achievement rate indicated in the table takes this weighting into account.

Consequently, taking into account the decision of Chiefs Executive Officers to waive 50% of the theoretical annual variable compensation resulting from the assessment of the Board of Directors (or a total amount of €1.2 million) the following annual variable remuneration amounts have been awarded for the 2020 financial year:

- €480,695 for Frédéric Oudéa, corresponding to a quantitative achievement rate of 33.3% and a qualitative performance assessed by the Board at 87.0% and a waiver amount of €480,695;
- €229,448 for Philippe Aymerich, corresponding to a quantitative achievement rate of 24.8% and a qualitative performance assessed by the Board at 87.5% and a waiver amount of €229,448;
- €206,172 for Séverin Cabannes, corresponding to a quantitative achievement rate of 16.7% and a qualitative performance assessed by the Board at 87.0% and a waiver amount of €206,172;
- €253,828 for Diony Lebot, corresponding to a quantitative achievement rate of 33.9% and a qualitative performance assessed by the Board at 87.1% and a waiver amount of €253,828.

As regards Philippe Heim, whose term of office ended on 3 August 2020 following the decision to reorganise General Management, no variable compensation will be awarded to him for 2020 (cf. Decision of the Board of Directors of 3 August 2020).

### Annual variable compensation of Chief Executive Officers

| In EUR | Annual variable remuneration 2018 | Annual variable remuneration 2019 | Annual variable remuneration 2020 | *% change 2019-2020* |
|---|---|---|---|---|
| **F. Oudéa** | **1 063 478** | **1 387 152** | **480 695** | ***-65%*** |
| **Ph. Aymerich[1]** | **423 105** | **755 136** | **229 448** | ***-70%*** |
| **S. Cabannes** | **485 555** | **580 520** | **206 172** | ***-64%*** |
| **D. Lebot[1]** | **393 030** | **727 904** | **253 828** | ***-65%*** |

(1) Ph. Aymerich and D. Lebot were appointed as Deputy Chief Executive Officers as of 14 May 2018; thus, the amounts of 2018 remuneration were prorated based on the date of their appointment in 2018.

### Fixed and variable remuneration of Chief Executive Officers

| In EUR | 2018 fixed remuneration and annual variable remuneration [1] | | | 2019 fixed remuneration and annual variable remuneration [1] | | | 2020 fixed remuneration and annual variable remuneration | | |
|---|---|---|---|---|---|---|---|---|---|
| | Fixed salary | Annual variable rem. | Total fixed & annual variable remuneration | Fixed salary | Annual variable rem. | Total fixed & annual variable remuneration | Fixed salary | Annual variable rem. | Total fixed & annual variable remuneration |
| **F. Oudéa** | **1 300 000** | **1 063 478** | **2 363 478** | **1 300 000** | **1 387 152** | **2 687 152** | **1 300 000** | **480 695** | **1 780 695** |
| **Ph. Aymerich[2]** | **504 000** | **423 105** | **927 105** | **800 000** | **755 136** | **1 555 136** | **800 000** | **229 448** | **1 029 448** |
| **S. Cabannes** | **800 000** | **485 555** | **1 285 555** | **800 000** | **580 520** | **1 380 520** | **800 000** | **206 172** | **1 006 172** |
| **D. Lebot[2]** | **504 000** | **393 030** | **897 030** | **800 000** | **727 904** | **1 527 904** | **800 000** | **253 828** | **1 053 828** |

Note: gross amounts in Euro calculated on value at grant date.
(1) The amounts of 2018 and 2019 annual variable remuneration were differed at 80%.
(2) Ph. Aymerich and D. Lebot were appointed as Deputy Chief Executive Officers as of 14 May 2018; thus, the amounts of 2018 remuneration were prorated based on the date of their appointment in 2018.

As per the standards applicable to bank executives (European Directive CRD4), the Board of Directors has set the following conditions for vesting and paying annual variable remuneration:

- 40% of the overall amount awarded vests in March 2021, of which half is converted into share equivalents and is deferred and non-transferable for one year;
- 60% of the total amount remains invested and is broken down into three equal sums payable over three years, of which two thirds are awarded as shares, and contingent on two conditions (Group profitability and Core Tier One). A 6-month non-transferability period is applied after each definitive vesting date.

Furthermore, if the Board of Directors observes that a decision taken by the Chief Executive Officers has particularly significant consequences for the Company's results or image, it may decide not only to reconsider payment of the deferred annual variable remuneration in full or in part (malus clause), but also to recover, for each award, all or part of the sums already distributed over a five-year period (clawback clause).

### C - Long-term incentives for 2020

The principles and amounts of the long-term incentives (LTI) plan, for which the Chief Executive Officers have been eligible since 2012, have been renewed. The plan aims to associate the Chief Executive Officers with the Company's long-term progress and to align their interests with those of shareholders.

The main features of the long-term incentives plan remain unchanged.

There is a cap on the awards identical to that on annual variable remuneration. For Frédéric Oudéa, the long-term incentive is capped at 135% of his annual fixed remuneration. For Deputy Chief Executive Officers, it is capped at 115% of their annual fixed remuneration.

The details of the long-term incentive plan for 2020 exercise are as follows:

- The IFRS2 book value of the awards remains stable over time. The resulting number of shares is based on the book value of the Societe Generale share at 8 February 2021.
- Award of shares vesting over four and six years, followed by a one-year non-transferability period after vesting, which lengthens the indexation period to five and seven years respectively.
- Definitive vesting subject to the following performance conditions:

  - 80% with respect to the relative performance of the Societe Generale share as measured by the increase in Total Shareholder Return (TSR) compared to that of 11 European peers over the entirety of the vesting periods. The entirety of the award will only be vested if Societe Generale's TSR is in the upper quartile of the sample; if it is slightly above the median value, the vesting rate will be 50% of the total number of shares granted; no shares will vest if the TSR is lower than the median.

  - 20% with respect to CSR conditions, 10% of which is related to compliance with the Group's commitments to finance the energy transition, and 10% to the Group's positions in the main extra-financial ratings (Robecosam, Sustainalytics and MSCI).

Regarding the energy transition financing condition linked to the financing of the Group's energy mix, the target proposed for the plan for 2020 will be:

- For 50% linked to the Group's commitment to aligning oil and gas activities: reduce overall exposure to the oil and gas extraction sector by at least 10% between 12/31/2019 and 12/31/2024.
  The acquisition would be 100% if the criterion is met.

- For 50% linked to the Group's commitment to raising €130 billion to the energy transition between 12/31/2019 and 12/31/2024, in the form of:
  - either sustainable bonds issues, or
  - transactions dedicated to the renewable energy sector through advisory and financing.

  For this criterion the acquisition would be 100% if the target of €130 billion is achieved. If the level of €110 billion is reached, the acquisition would be 75%. Below €110 billion, the acquisition would be nil.

Regarding the condition based on external extra-financial ratings, the acquisition rate is defined as follows:
- 100% acquisition if three criteria are verified over the observation period of 3 years following the year of award (i.e., 2022, 2023 and 2024 positions/ratings),
- 2/3 acquisition if an average of two criteria are verified over the observation period of 3 years following the year of award,
- 1/3 acquisition if an average of at least 1 criterion is verified over the observation period of 3 years following the year of award.

For the three extra-financial ratings selected, the condition is met upon reaching the following expected positions:
- RobecoSAM: 1st quartile,
- Sustainalytics: 1st quartile,
- MSCI: Rating >= BBB.

For ratings that are revaluated during the year, the rating used for the annual reviews apply. Given the changing nature of the extra-financial rating agencies sector, the panel of the 3 selected ratings may be modified if appropriately justified.

In the event of unsatisfactory Group profitability for the year preceding the vesting date of long-term incentives, payments will be forfeited, regardless of Societe Generale's share price and RSE performance.

- The final payment value of the award is capped at €75 per share, i.e., around 1.2 times the net asset value per Societe Generale group share at 31 December 2020.
- If the Board of Directors observes behaviour or actions that fall short of Societe Generale's expectations, as defined in the Group's Code of Conduct, or risk-taking that exceeds the level deemed acceptable by Societe Generale, it may decide to withhold payment of the long-term incentives in full or in part.

The following table states the book value and maximum number of shares awarded by the Board of Directors to each Executive Officer under the terms of the LTI plan for 2020:

| | EUR amount in book value (IFRS) | Maximum number of shares awarded |
|---|---|---|
| **F. Oudéa** | 850,000 | 84,367 |
| **Ph. Aymerich** | 570,000 | 56,576 |
| **D. Lebot** | 570,000 | 56,576 |

No long-term incentive is awarded to Séverin Cabannes and Philippe Heim following their term of office in 2020.

**E – Estimated contribution to additional pension plan (article 82)**

As a reminder, following the amendment of the supplementary pension scheme for senior managers as of 31 December 2018, an additional defined-contribution pension scheme (Art. 82) was set up for the Management Committee members, including Deputy Chief Executive Officers, effective as of 1 January 2019.

The regime provides for the payment of a yearly contribution by the Company to an individual Art. 82 pension account opened in the name of the eligible beneficiary, on the portion of his/her fixed remuneration in excess of four times the annual French social security ceilings. The contribution rate was set at 8%.

As required by law, the yearly contributions are subject to the following performance condition: the contributions will only be paid in their totality if at least 80% of the performance conditions for the variable remuneration for the same year are met. For a performance of and upwards of 50%, no contribution will be paid. For an achievement rate of between 80% and 50%, the calculation of the contribution for the year will be calculated on a straight-line basis.

The table below presents a calculation of the contribution amounts to be paid for 2020 based on the rate of achievement of annual variable remuneration targets:

| | Overall achievement rate for 2020 targets | % of Art. 82 contribution acquisition | 2020 contribution in EUR |
|---|---|---|---|
| **Ph. Aymerich** | 49.9% | 0% | 0 |
| **S. Cabannes** | 44.8% | 0% | 0 |
| **D. Lebot** | 55.2% | 17% | 8,812 |

**E – Variable remuneration cap**

For each Chief Executive Officer, the variable component awarded (i.e., annual variable remuneration and long-term incentives) cannot exceed the regulatory cap corresponding to 200% of the fixed remuneration.

**Pay ratio**

For 2020, the pay ratio for Frédéric Oudéa would be 36 times the average compensation (vs. 47 times last year) and 48 times the median compensation (vs. 65 times last year) of Societe Generale SA staff, including overseas branches. The change from 2016 to 2020 is presented below.

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| **Average ratio** | 49:1 | 47:1 | 42:1 | 47:1 | 36:1 |
| **Median ratio** | 71:1 | 66:1 | 59:1 | 65:1 | 48:1 |

A full presentation of pay ratios is incorporated into the Universal Registration Document.

## IV - REMUNERATION OF CHIEF EXECUTIVE OFFICERS FOR THE 2021 FINANCIAL YEAR

The Board of Directors, upon proposal of the Remuneration Committee, has confirmed the remuneration structure of the Chief Executive Officers. The balance between fixed, variable and long-term remuneration has been maintained by taking into account all of the Group's performance indicators.

### A - Fixed remuneration 2021

The Board of Directors maintained the fixed remuneration of Frédéric Oudéa, Chief Executive Officer, at €1,300,000 and of Philippe Aymerich and Diony Lebot, Deputy Chief Executive Officers, at €800,000. The fixed remuneration is unchanged since September 2014 for Frédéric Oudéa, and for Philippe Aymerich and Diony Lebot since their appointment in May 2018.

### B - Annual variable remuneration for 2021

On 9 February 2021, the Board of Directors, upon proposal of the Remuneration Committee, decided to renew the annual variable remuneration principals defined for 2020.

**Maximum variable remuneration and Target variable remuneration**

It should be remembered that the annual variable remuneration is capped at 135% of the fixed remuneration for the Chief Executive Officer and 115% of the fixed remuneration for the Deputy Chief Executive Officers . This variable portion is based on the achievement of previously established quantitative (60%) and qualitative (40%) criteria.

The **quantitative criteria** are fixed and assessed in compliance with a predefined budget. Any factors deemed exceptional by the Board of Directors are excluded. The achievement of the budget target corresponds to an achievement rate of 80%. The qualitative criteria are assessed based on the key questions defined *ab initio* by the Board of Directors. The achievement rate can range from 0 to 100%. The maximum qualitative portion corresponds to 40% of the maximum annual variable compensation, and the maximum quantitative portion corresponds to 60% of the maximum annual variable compensation (which is 135% of the fixed remuneration for the CEO and 115% of the fixed remuneration for the Deputy CEOs).

In 2020, the quantitative criteria targets for the Chief Executive Officer related only to the Group scope. They were split equally between the Group scope and the specific area of responsibility for the Deputy CEOs.

For 2021, the Board of Directors has decided to distribute the weight of the quantitative criteria of the CEO and Deputy CEOs as follows:

- 60% correspond to indicators measured on the Group scope;
- 40% correspond to indicators measured within the scope of the specific area of responsibility of the Chief Executive Officer and each Deputy Chief Executive Officer.

It should be remembered that since 1 January 2021, Frédéric Oudéa supervises GBIS.

The table below presents the performance indicators retained by the Board and their weighting:

| | |
|---|---|
| **Group scope – 60%** | 1/3: ROTE<br>1/3: CET1 ratio<br>1/3: C/I Group |
| **Scope of responsibility – 40%** | 1/3: GOI Scope of responsibility<br>1/3: C/I Scope of responsibility<br>1/3: RONE Scope of responsibility |

ROTE: Return On Tangible Equity
CET 1: Core Tier One ratio
C/I: Cost/income ratio
GOI: Gross operating income
RONE: Return On Normative Equity
* each indicator being equally weighted

**Qualitative targets**

These targets will be distributed for 55% (70% in 2020) on objectives common to the three Chiefs Executive Officers and for 45% (30% in 2020) on objectives specific to the areas of responsibility.

The objectives common to the three Chief Executive Officers are based the following areas:

- Improved perception of Societe Generale group by the markets;
- Continued progress in improving the customer experience, the Net Promoter Score and customer satisfaction surveys;
- Achievement of the Group's Corporate and Social Responsibility (CSR) targets and positioning in extra-financial indices;
- Operational efficiency and the acceleration of digitalisation through increased value-based monitoring of digital investments;
- Compliance with regulatory requirements (KYC, internal control, remediation, proper implementation of supervisory recommendations).

The specific targets are distributed between the different areas of supervision (three targets for each Chief Executive Officer). These targets are based on:

- Implementation of Group strategy and in particular the finalisation of the Equity Story by 2025 presenting the breakdown of the Group's purpose into strategic choices;
- Finalisation of the strategic trajectory of the GBIS businesses;
- Proper management of Human Resources, in particular enhancing the talent policy to take into account diversity objectives;
- Success in implementing the ALDA strategy by way of intra-group synergies in particular;
- Boosting the “bancassurance” model in conjunction with the Retail banking business;
- Development of data usage tools, and the acceleration of data mining initiatives and the use of artificial intelligence in the Group's control functions;
- Deployment of the Retail Banking strategy in France, namely by implementing the first year of the Vision 2025 project and by deploying the Boursorama strategy;
- The implementation of the strategic priorities of International Retail Banking and Consumer Credit, in particular by increasing their digital footprint and improving the satisfaction of private individual customers;
- Strengthening synergies and pooling within the Retail banking division.

**C - Long-term incentives for 2021**

On 9 February 2021, the Board of Directors, following proposal by the Compensation Committee, decided to renew for the financial year 2020 the main characteristics of the long-term incentive (LTI) plan defined for the financial year 2020.

**D – Post-employment benefits**

**Severance pay**

The conditions of the severance pay of the Executive Officers remain unchanged compared to the previous year.

**Non-compete clause**

The conditions of the non-compete clause of the Chief Executive Officers remain unchanged compared to the previous year.

**Pension**

Frédéric Oudéa is not eligible to any supplementary pension.

***- Additional defined contribution pension plan (article 82)***
Following the amendment of the supplementary allocation pension plan on 31 December 2018, an additional defined-contributions pension plan (Art. 82) was set up for the Group Management Committee members of the French entity of Societe Generale, which include the Deputy Chief Executive officers, with effect as of 1 January 2019. Under this scheme, the company pays an annual contribution into an individual pension account. The 2021 employer contribution rate was set at 8% of fixed remuneration in excess of four times the French social security ceiling. For fixed remuneration of €800,000, it represents a gross annual contribution of €50,836. This contribution will be taxable upon payment and the beneficiary may choose between a lump sum or payment in annuities when they retire.

As required by law, the annual contributions under this scheme will be paid in full if at least 80% of the variable remuneration performance conditions for the corresponding year are met. For performance levels of 50% or below, no pension right or contribution is paid. For an achievement rate between 80% and 50%, the contribution paid for the year is calculated on a straight-line basis.

***Valmy pension saving scheme***
This defined-contribution plan, established in line with Article 83 of the French General Tax Code, was implemented in 1995 and amended on 1 January 2018 (and is called *Épargne Retraite Valmy*, or Valmy pension savings scheme). Membership is compulsory for all employees with more than six months' seniority within the Company and allows beneficiaries to save for their retirement, as benefits are paid as life annuities upon retirement. Contributions correspond to 2.25% of the employee's remuneration, capped at twice the annual French social security ceiling, of which 1.75% was paid by the Company (i.e., €2,880 based on the annual French social security ceiling in 2020).

***Supplementary pension allocation plan*** (closed plan no more rights are granted after December 31, 2019)
Until 31 December 2019 Philippe Aymerich and Diony Lebot retained the benefit of the supplementary pension allocation plan for senior managers that applied to them as employees prior to their appointment as CEO. In accordance with the law, the annual increase in rights under this plan was subject to the performance condition.

This plan was revised on 17 January 2019 and was shut down as from 4 July 2019, with no further rights having been awarded since 31 December 2019, following the publication of Order Np. 2019-697 of 3 July 2019 on corporate supplementary pension schemes. As soon as it is published, this order prohibited the affiliation of any new beneficiaries to schemes under which pension rights are conditional upon the beneficiary still working at the company when they reached retirement, and the award of conditional pension rights for any periods worked after 2019.

The total rights accumulated when a beneficiary claims their pension will consist of the sum of the rights frozen at 31 December 2018 and the minimum rights built up between 1 January 2019 and 31 December 2019. These rights will be revalued according to the change in value of the AGIRC point between 31 December 2019 and the date on which the beneficiary claims their pension. Such rights remain conditional upon the beneficiary still working at Societe Generale when they reach retirement and are pre-financed with an insurance company.

**V - TERMS AND CONDITIONS ALLOWING THE BOARD TO DEVIATE FROM THE APPROVED REMUNERATION POLICY**

The ex ante compensation policy approved by the General Meeting in May 2020 provides, in accordance with the provisions of the Commercial Code[2], for the Board of Directors the right to deviate from the approved remuneration policy in certain exceptional circumstances (provided that such deviation is temporary, in the Company's best interests and necessary to ensure the Company's viability or long-term survival).

The Board of Directors on 9 February 2021, following the proposal of the Remuneration Committee, decided to provide clarifications on the terms and process for the implementation of this deviation[3].

[2] The second paragraph of Article L. 22-10-8 (III) of the French Commercial Code

[3] In accordance with article R. 225-29-1, 8 ° of the French Commercial Code, when the Board of Directors provides for exemptions from the application of the remuneration policy, the remuneration policy presents "the procedural conditions under from which these derogations can be applied and the elements of policy to which it can be derogated ”.

The Board of Directors specified in particular that the latter could in particular be made necessary by a major event affecting either the activity of the Group or one of its areas of activity, or the economic environment of the bank. If necessary, the adaptation of the remuneration policy to exceptional circumstances would be decided by the Board of Directors on the recommendation of the Remuneration Committee, after consulting, as necessary, an independent consulting firm. This temporary adaptation could result in a modification or modulation of the criteria or conditions contributing to the variable compensation determination or payment.

## APPENDIX: REMUNERATION OF THE BOARD MEMBERS FOR 2020 FINANCIAL YEAR

| *In EUR* | **2020 Financial year** |
|---|---:|
| **CONNELLY William** | **217 333** |
| **CONTAMINE Jérôme** | **139 908** |
| **COTE Diane** | **103 905** |
| **HAZOU Kyra** | **160 550** |
| **HOUSSAYE France**(1) | **93 363** |
| **LEROUX David**(1) | **74 083** |
| **LEVY Jean-Bernard** | **126 909** |
| **MESSEMER Annette** | **87 599** |
| **MESTRALLET Gérard** | **125 162** |
| **NIN GENOVA Juan Maria** | **150 008** |
| **RACHOU Nathalie** | **94 547** |
| **ROCHET Lubomira** | **79 768** |
| **SCHAAPVELD Alexandra** | **246 865** |
| **Total** | **1 700 000** |

(1) Paid to Societe Generale trade union SNB