REMUNERATION POLICY

DECISIONS OF THE BOARD OF DIRECTORS ON 1 MARCH 2024 ON THE REMUNERATION POLICY OF THE BOARD MEMBERS AND THE GROUP CHIEF EXECUTIVE OFFICERS[1]

The policy governing remuneration of the Chairman of the Board of Directors and the Chief Executive Officers, presented below, was approved by the Board of Directors on 1 March 2024 following the recommendations of the Compensation Committee.

The principles defined in the *ex ante* policy approved by the General Meeting of Shareholders of 23 May 2023 were maintained.

The main change involves the reintroduction of the CET 1 ratio as a performance criterion to take into account the targets presented during the Capital Markets Day event of 18 September 2023 and for financial communication purposes.

In accordance with Article L. 22-10-8 of the French Commercial Code (Code de commerce), the remuneration policy detailed below is subject to the approval of the General Meeting.

I – REMUNERATION OF THE BOARD MEMBERS

Following the opinion of the Compensation Committee on 11 January 2024 on the proposal of the Nomination and Corporate Governance Committee, the Board of Directors decided to submit for the approval of the General Meeting of Shareholders of 22 May 2024 an 8% increase in the overall annual amount of the Directors' compensation from EUR 1.7 million to EUR 1.835 million for the year beginning 1 January 2024 and for subsequent years, until decided otherwise.

It observed that the last increase had been made in 2018, with no ensuing change, even though the number of Directors receiving compensation had increased from 12 to 13 following the Annual Meeting of 18 May 2021. The proposed increase also aims to take into account the increase in the average annual number of meetings by the Board of Directors and its Committees (excluding seminars and training sessions) during the three-year periods from 2015 to 2017 (45), 2018 to 2020 (52) and 2021 to 2023 (53). Lastly, this increase is less than the average salary increase (+10%) since 2018.

Before issuing its opinion, the Compensation Committee verified that the proposed new overall annual compensation amount payable to the Directors was in line with levels observed in other French and European financial companies of comparable size and complexity.

The rules governing this remuneration and its breakdown between the Directors are defined under Article 18 of the Internal Rules of the Board of Directors.

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

II – CHAIRMAN OF THE BOARD OF DIRECTORS

Lorenzo Bini Smaghi's annual gross remuneration was set at EUR 925,000 in May 2018 for the duration of his term of office. This remuneration remained unchanged when his term of office as Director and as Chairman was renewed at the General Meeting of 17 May 2022.

He does not receive remuneration in his capacity as Director. To ensure his total independence when fulfilling his duties, he does not receive variable compensation, securities or any compensation contingent on the performance of Societe Generale or the Group.

He is provided with company accommodation for the performance of his duties in Paris.

[1] Full details of the remuneration of the Board members and the Chief Executive Officers are presented in the Universal Registration Document.

III - REMUNERATION OF THE CHIEF EXECUTIVE OFFICERS FOR 2024

The remuneration of Chief Executive Officers breaks down into the following two components:

- fixed remuneration (FR) rewards experience and responsibility, taking into account market practices. It accounts for a significant proportion of overall remuneration and serves as the basis for calculating annual variable remuneration and long-term incentives;
- variable remuneration (VR) comprises two components:
  - annual variable remuneration (AVR) rewards both financial and non-financial performance over the year; its payment is partially deferred over time and subject to presence and performance conditions, and
  - long-term incentives (LTI) aim to align the Chief Executive Officers' focus with shareholders' interests, and to provide the former with an incentive to deliver long-term performance. Vesting of LTIs is subject to a condition of continued presence and is based on the Group's financial and non-financial performance as measured against both internal and external criteria.

A – Fixed remuneration for 2024

Slawomir Krupa

Annual fixed remuneration for Slawomir Krupa, Chief Executive Officer was EUR 1,650,000 as of his appointment by the Board of Directors of 23 May 2023. This fixed remuneration was approved by the General Meeting of 23 May 2023. It remains unchanged.

Deputy Chief Executive Officers

Annual fixed remuneration for Philippe Aymerich, Deputy Chief Executive Officer was EUR 900,000 as of the renewal of his term of office on 23 May 2023. His annual fixed remuneration has remained unchanged at EUR 800,000 since his appointment as Deputy Chief Executive Officer in May 2018.

Annual fixed remuneration for Pierre Palmieri, Deputy Chief Executive Officer was EUR 900,000 as of his appointment by the Board of Directors of 23 May 2023.

These fixed remunerations were approved by the General Meeting of 23 May 2023. They remain unchanged.

B – Annual variable remuneration for 2024

The target annual variable remuneration is set at 120% of annual fixed remuneration for the Chief Executive Officer and at 100% of annual fixed remuneration for the Deputy Chief Executive Officers.

The target annual variable remuneration is 65% based on financial criteria and 35% on non-financial criteria.

Financial portion

At its meeting of 1 March 2024 and at the recommendation of the Compensation Committee, the Board of Directors decided to reintroduce the CET 1 ratio as a performance criterion to take into account the targets presented during the Capital Markets Day event of 18 September 2023 and for financial communication purposes.

Accordingly, the financial performance is measured on the Group's scope and based on three indicators with an equal weighting:

- Return on Tangible Equity (ROTE);
- Cost-to-income ratio; and the
- Core Tier 1 ratio.

Covering both financial and operational aspects, these indicators are directly linked to the Group's strategy and reflect compliance with the predefined budgets. The Board of Directors excludes from its calculations any components it deems exceptional.

The achievement rates will be calculated as follows:

- compliance with the budgetary target equates to an achievement rate of 100% of the target variable;
- the budgetary target is guided by the three points pre-defined by the Board of Directors and allowing for an achievement rate of 125% (a high point), an achievement rate of 90% (an intermediate point) and an achievement rate of 50% (a low point), below which the achievement rate is deemed null.

The achievement rate of each target is defined on a straight-line basis between these limits.

Each of the financial performance criteria is capped at 125% of its target weighting. As such, the maximum financial portion is capped at 81.25% of the target annual variable remuneration, with the latter corresponding to 120% of annual fixed remuneration for the Chief Executive Officer and 100% for the Deputy Chief Executive Officers.

Non-financial portion

At its meeting of 1 March 2024 and at the recommendation of the Compensation Committee, the Board of Directors decided to structure the non-financial criteria of Chief Executive Officers with an equal weighting of CSR criteria compared with 2023 (i.e. 20%), reinforced weighting of 7.5% on common targets for General Management (vs. 5% in 2023) and specific targets for the Chief Executive Officer and Deputy Chief Executive Officers weighted at 7.5%.

The **CSR targets** will apply to all Chief Executive Officers. They are divided into four themes, all of which include quantifiable targets:

- improving the client experience: measured based on the change in NPS for the main activities;
- developing the Group's priorities as a responsible employer, measured through compliance with commitments to promote women to and ensure international profiles for senior managerial positions, and commitments for an improved employee engagement rate;
- rolling out the CSR strategy presented during the Capital Markets Day event of 18 September 2023 with reinforced governance and compliance with alignment targets compatible with commitments made by the Group with regard to the energy and environmental transition;
- implementing the European Corporate Sustainability Reporting Directve (CSRD) and the ECB's recommendations on CSR and climate change topics.

Weighted at 7.5%, the **common targets** for General Management will concern:

- Regulatory compliance: the quality of the relationships with supervisory bodies and implementation of ECB recommendations.

Regarding the specific targets weighted at 7.5% of the annual variable remuneration, will be as follows in 2024:

For Slawomir Krupa, the Chief Executive Officer:

- good governance and continued implementation of the strategy presented at the Capital Markets Day event.

For Philippe Aymerich, Deputy Chief Executive Officer, more particularly in charge of supervising the Group's resources, excluding Human Resources, the General Secretariat, Communication, French Retail, Private Banking and Insurance:

- achieving business and customer satisfaction targets for SG network activities;
- implementation of 2024 Strategic Roadmap for Information Systems;
- achievement of the 2024 objectives of BoursoBank, Private Banking and Insurance activities.

For Pierre Palmieri, Deputy Chief Executive Officer in charge of the Compliance Control function, Corporate Social Responsibility, Human Resources, and the International Retail Banking and Financial Services businesses.

- continued deployment of the post-acquisition strategy for the Ayvens activities;
- compliance with the 2024 milestones for the Africa, Mediterranean Basis and Overseas France perimeter and notably for disposals and the rollout of the new operating model;
- continued work on the decarbonisation of the activities and on financing the energy transition.

Attainment of the non-financial targets is assessed based on key indicators that may be quantified either based on meeting milestones or based on a qualitative evaluation by the Board of Directors. These indicators are defined in advance by the Board of Directors. The achievement rate can be anywhere between 0 and 100%. In the event of exceptional performance, the achievement rate of some quantifiable non-financial targets can be increased to 120% by the Board of Directors, bearing in mind that the overall non-financial target achievement rate may not exceed 100%.

The maximum non-financial portion is capped at 35% of the target annual variable remuneration, the latter corresponding to 120% of annual fixed remuneration for the Chief Executive Officer and 100% for the Deputy Chief Executive Officers.

Summary of the criteria for annual variable remuneration

	Weight
Financial targets – 65%	
Group ROTE	21.7%
Group C/I ratio	21.7%
Group CET 1 ratio	21.7%
Total financial targets	**65.0%**
Non-financial targets – 35%	
CSR	20.0%
Regulatory compliance	7.5%
Specific to each individual remit	7.5%
Total non-financial targets	**35.0%**

Vesting and payment of annual variable remuneration

With a view to strengthening the correlation between remuneration and the Group's risk appetite targets and aligning them with shareholders' interests, the vesting of at least 60% of the annual variable remuneration is deferred.

The payment of at least 60% of annual variable remuneration will be deferred for five years, pro rata. This concerns both cash payments and awards of shares or share equivalents subject to the achievement of long-term Group profitability and equity targets; the amounts awarded are reduced if targets are not met. The Board of Directors reviews the target achievement rates ahead of the definitive vesting of deferred variable remuneration. A one-year holding period (instead of six months previously) will apply after each definitive vesting date of payments in shares or share equivalents.

The value of the variable portion granted in shares or share equivalents is calculated on the basis of a share price set by the Board of Directors in March of each year and corresponding to the trade-weighted average of the twenty trading days prior to the Board Meeting. The portion of annual variable remuneration granted as share equivalents entitles the beneficiary to payment of a sum equivalent to any dividend payments made over the compulsory holding period. No dividends are paid during the vesting period.

If the Board deems that a decision taken by the Chairman of the Board of Directors and 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 six-year period (clawback clause).

Lastly, the vesting of the deferred annual variable remuneration is also subject to a condition of presence throughout the Chief Executive Officer's current term of office. The only exceptions to this condition are as follows: retirement, death, disability, incapacity to carry out duties or removal from office due to a strategic divergence with the Board of Directors. Once the Chief Executive Officer's current term of office comes to an end, this condition of presence no longer applies. However, if the Board concludes that a decision a Chief Executive Officer took during their term of office has had particularly significant consequences for the Company's results or image, it may decide to apply either the malus or the clawback clause.

Cap

Annual variable remuneration is capped at 140% of annual fixed remuneration for the Chief Executive Officer and at 116% for the Deputy Chief Executive Officers.

C – Long-term incentives for 2024

As recommended by the Compensation Committee, the Board of Directors on 1 March 2024 decided in line with previous years, the features of the LTI plan as follows:

- granting of shares or share equivalents;
- definitive vesting subject to a condition of presence throughout the vesting period, as well as performance conditions.
- the amount awarded in IFRS value will be capped at 100% of annual fixed remuneration for the Chief Executive Officer and the Deputy Chief Executive Officers (vs. 135% for the Chief Executive Officer and 115% for the Deputy Chief Executive Officers currently);
- long-term incentives will be awarded in a single instalment (instead of two instalments previously), with a vesting period of five years (instead of four and six years), followed by a one-year holding period after vesting;
- definitive vesting will remain subject to a condition of presence throughout the vesting period, but this condition will be adjusted to allow officers to retain their unvested long-term incentives on a pro rata basis in the event that their term of office is not renewed; the Board of Directors may decide not to allow this retention, depending on the circumstances of non-renewal.
- The performance conditions governing vesting of LTIs are as follows:
    - for 33.33% of the LTI award, the relative performance of the Societe Generale share, as measured by the increase in total shareholder return (TSR) compared with that for 11 comparable European banks over the full vesting period. Consequently, the full amount of shares or share equivalents will only vest if Societe Generale's TSR falls in the first quartile of the sample panel. If it falls slightly above the median value, the vesting rate will be 50% of the total number of shares or share equivalents granted. No shares or share equivalents will vest if the TSR performance is below the median value;
    - for 33.33%of the LTI award, the Group's future profitability;
    - for 33.33% of the LTI award, CSR performance related to implementing trajectories compatible with the Group's commitments to aligning its lending portfolios with the Paris Agreement; the Board will determine the target for awards made in 2025 in respect of 2024;
- if the Group is not profitable in the year preceding the definitive vesting of long-term incentives, no payment will be made, regardless of the Societe Generale share performance, the Group's CSR performance, and achievement of the Group's future profitability target;
- the Board of Directors reviews the satisfaction of the performance conditions ahead of the vesting of any long-term incentives.

Definitive vesting is subject to a condition of presence in the Group as an employee or in an executive position throughout the vesting period. However, and subject to the faculty for the Board of Directors to decide to make an exception under special circumstances:

- in the event of death, disability or incapacity, the shares will be retained and full payments made;
- if a beneficiary retires or leaves due to a change of control, the shares will be retained and full payments made, provided the Board of Directors is satisfied that the performance conditions have been met;
- if a beneficiary leaves the Group due to changes in its structure or organisation, or due to their term of office not being renewed (except where the Board deemed their performance to be inadequate), payments will be made on a pro rata basis according to the time spent in office compared to the overall vesting period, provided the Board of Directors is satisfied that the performance conditions have been met.

Lastly, a "malus" clause also applies to the beneficiaries' long-term incentives. Accordingly, if the Board deems that a decision made by the Chief Executive Officers has had particularly significant consequences on the Company's results or image, it may decide to reconsider payment of the long-term incentives in full or in part.

The definitive vesting value of shares or payment value of share equivalents is capped at an amount corresponding to a multiple of the net asset value per Societe Generale Group share at 31 December of the year in respect of which the LTIs were awarded.

In compliance with current regulations, the total variable component (i.e. annual variable remuneration plus long-term incentives) is in all events capped at 200% of the fixed component.

D – Post-employment benefits

Severance pay

The terms of the Chief Executive Officers' severance pay remain unchanged from the previous year.

Non-compete clause

The terms of the Chief Executive Officers' non-compete clause remain unchanged from the previous year.

Pension

- Supplementary « article 82 » pension

The Company set up a supplementary defined contribution "Article 82" pension scheme for Management Committee members. The scheme took effect on 1 January 2019. Slawomir Krupa, Philippe Aymerich and Pierre Palmieri are beneficiaries of this scheme.

Under the scheme, the Company pays a yearly contribution into an individual Article 82 pension account opened in the name of the eligible beneficiary, calculated on the portion of their fixed remuneration exceeding four annual French Social Security ceilings. The accumulated rights will be paid at the earliest on the date on which the beneficiary draws their French state pension. The rate set for the Company's contribution is 8%.

As required by law, the yearly contributions are subject to a performance condition, i.e. they will only be paid in full if the achievement rate of the variable remuneration performance conditions for that same year allow for payment of at least 80% of the target annual variable remuneration. No contribution will be paid for performance awarded less than 50% of the target annual variable remuneration. For performance awarded between 80% and 50% of the target annual variable remuneration, the contribution paid for the year is calculated on a straight-line basis.

- Valmy pension saving scheme

The Chief Executive Officer and the Deputy Chief Executive Officers are still entitled to the defined contribution supplementary pension scheme to which they contributed as employees prior to becoming Chief Executive Officers. This defined contribution scheme (the Épargne Retraite Valmy, i.e. Valmy pension savings scheme) was set up in 1995 in line with Article 83 of the French General Tax Code and amended on 1 January 2018. The scheme is compulsory for all employees with more than six months' seniority in the Company and allows them to save for their retirement. Upon retirement, their savings are converted into life annuities. Total contributions correspond to 2.25% of the employee's remuneration, capped at four annual French Social Security ceilings, of which the Company pays 1.75% (i.e. EUR 3,079 based on the 2023 annual French Social Security ceiling). This scheme is insured with Sogécap.

- Senior management supplementary pension (no further rights were awarded after 31 December 2019)

Until 31 December 2019, Slawomir Krupa, Philippe Aymerich and Pierre Palmieri were entitled to the senior management supplementary pension scheme from which they had benefited as employees before being appointed to their Chief Executive Officer positions. As required by law, the annual increase in supplementary pension benefits was subject to a performance condition or the Chief Executive Officers.

This plan, revised on 17 January 2019, was definitively closed as of 4 July 2019 and no entitlement was granted after 31 December 2019, following the publication of Order 2019-697 of 3 July 2019 on complementary pension plans prohibiting, from its publication, any affiliation of potential new beneficiaries with pension plans subject to the vesting of entitlements on completion of the beneficiary's career in the company as well as the constitution of conditional entitlements for periods of employment after 2019.

The amount of entitlements vested at the time of retirement will consist of the sum of the entitlements frozen at 31 December 2018 and the minimum entitlements constituted between 1 January 2019 and 31 December 2019. These entitlements will be revalued according to the change in Agirc between 31 December 2019 and the date on which the pension was liquidated. Entitlements remain conditional on the completion of the beneficiary's career at Societe Generale. They are subject to pre-financing with an insurance company.