

Additional information

Following shareholders questions, a new version of the assessment of the CEO's qualitative performance taken in account for their compensation is given to the shareholders.

Qualitative portion

The Board of Directors also set qualitative targets at its meetings on 14th March and 3rd May 2018. These are based on targets pertaining to the first year of the 'Transform to Grow' financial and strategic plan for the Group and the businesses, operational efficiency, risk control and regulatory compliance, ongoing Group transformation, continued progress in terms of customer satisfaction, redefinition of the strategy in respect of corporate social responsibility (CSR), improvements in the Group's capacity to innovate. In addition, specific individual targets, such as implementation of the Culture & Conduct program, transformation of the French networks and regulatory compliance.

These targets are assessed on the basis of key questions defined *ab initio* by the Board of Directors. The achievement rate may extend from 0 to 100%. The objectives are equally weighted, and the final result is the average of the results for each of the objectives.

In light of these targets for 2018, the Board of Directors, at its meeting of 6th February 2019 and based on the Compensation Committee's recommendation, set the following achievement rates:

- Frédéric Oudéa: 69.4% of qualitative targets achieved;
- Philippe Aymerich: 67.2% of qualitative targets achieved;
- Séverin Cabannes: 61.1% of qualitative targets achieved;
- Philippe Heim: 67.1% of qualitative targets achieved;
- Diony Lebot: 60.7% of qualitative targets achieved.

Regarding the strategic plan implementation, the Board recognized the success of most strategic initiatives. Expected savings have been achieved. The cost of risk remained at the bottom of the target range and litigation-related financial uncertainty was removed as a result of the agreements reached with the American authorities. Thus, the long-term strategic ambition of accompanying Group clients in their positive transformations, benefiting from the diversified business model and operating in synergies, is confirmed.

However, economic, financial and regulatory prospects, dimmer than initially stated 15 months ago, prompt modifications to the implementation of the Group's strategic plan. The savings plan must be strengthened by 2020. The transformation of certain businesses and the refocusing of certain activities must be accelerated in view of the first year of execution of the plan, particularly in market activities and international private banking. The profitability targets were revised after the end of the financial year.

Client satisfaction has increased even if some specific points need attention. Although the Group has shown sound control of risks, some ongoing programs need to be strengthened in terms of compliance, internal control or operational risks across the Group.

The Group has made headway with several other aspects of the road map and has largely met its objectives. In particular, it has taken a new step in the digitilisation of businesses. The Group is number 1 on the eCAC40 list. First experiences in artificial intelligence have been launched. Internal Startup Call incubated 60 start-ups. The Culture & Conduct program is progressing according to objectives.

With regard to CSR, the objectives have also been achieved almost entirely. The Group is well placed in the extra-financial indices and ratings and confirms its ambitions in 'positive impact' finance. Société Générale has reinforced its pioneering role in defining 'positive impact' finance with UNEP-FI. The agreement with UNI Global Union, on human rights, has been renewed. The level of employee commitment varies widely according to geographies and businesses, and the impact of the transformations.