

ARTICLE 450 OF CRR DISCLOSURE

Societe Generale London Branch

As at 31 December 2021

TABLE OF CONTENTS

| | |
|--|----------|
| 1. INTRODUCTION | 2 |
| 2. DECISION MAKING PROCESS USED FOR DETERMINING REMUNERATION POLICY | 2 |
| 2.1. Composition and Mandate of the Remuneration Committee | 2 |
| 2.2. Role of relevant stakeholders and external consultants | 2 |
| 3. INFORMATION ON LINK BETWEEN PAY AND PERFORMANCE | 3 |
| 3.1. Compliance & Risk Assessment | 3 |
| 4. DESIGN CHARACTERISTICS OF THE COMPENSATION SYSTEM | 4 |
| 4.1. Performance Measurement and Risk Adjustment | 5 |
| 5. AGGREGATE QUANTITATIVE INFORMATION ON REMUNERATION | 5 |
| 5.1. Broken down by business area | 5 |
| 5.2. Broken down by senior management and other Code staff..... | 5 |

1. INTRODUCTION

The below disclosures are made in accordance with the Capital Requirements Regulation (CRR), Capital Requirements Directive (CRD V) and the PRA and FCA rules for disclosure by Level 2 firms.

In line with the above regulations, the disclosures below provide information regarding the remuneration policies and practices for those staff whose professional activities have a material impact on the Bank's risk profile.

2. DECISION MAKING PROCESS USED FOR DETERMINING REMUNERATION POLICY

2.1. Composition and Mandate of the Remuneration Committee

Societe Generale London Branch (SGLB) is a proportionality Level 2 Remuneration Code firm. This determines what remuneration rules we are required to apply. SGLB is considered a Third Country Branch in the UK (as defined in the PRA Handbook). SGLB does not have a Board, therefore the SGLB Remuneration Committee (Remco) operates as a standalone committee independent from the executive function of SGLB (that is the SGLB Executive Committee). On remuneration matters only, the Remco will act as the management body in its supervisory function for SGLB as defined in the PRA Handbook and, as such, will adopt and annually review the general principles of the SGLB Remuneration Policy and is responsible for overseeing its implementation.

The Remco is responsible for the approval of the SGLB Remuneration Policy, which is reviewed at least annually, and oversight of its implementation throughout the Branch. The SGLB Remco is constituted in a way that enables it to exercise competent and independent judgment on remuneration policies and practices and the elements within these for managing risk, capital, and liquidity.

In 2021, the Remuneration Committee met twice and included the following members;

| | |
|--------------------|------------------------|
| Sadia Ricke | Non-Executive Director |
| Roxane Demonfaucon | Non-Executive Director |
| Tim Albertsen | Non-Executive Director |

2.2. Role of relevant stakeholders and external consultants

During the year, the Committee received briefings on business performance, human resources context and remuneration policy execution from the SGLB Chief Executive Officer, HR Director and key HR stakeholders.

The SGLB Risk, Compliance and Audit departments were also involved in determining the Remuneration Policy for SGLB as follows:

- the Risk and Compliance departments reviewed the proposed Remuneration Policy before submitting it for approval of the Remco;
- the Risk and Compliance departments reviewed the methodology and the result of the identification of SGLB Material Risk Takers (MRTs) on an annual basis (noting that for performance year 2021 only, SGLB MRTs were defined as those persons in SGLB identified as MRTs of SG Group and, as such, the review stated is conducted by SG Group Risk and Compliance functions); and

- SG Group Risk, Compliance and Audit departments had input into defining collective remuneration pools and into setting individual remuneration where those departments had concerns about the behaviour of specific groups or individuals concerned or the riskiness of the business undertaken. As such, these departments may raise an alert relative to risk taking, conflict of interest, treatment of clients or any other behavioural issue.

The Committee has not sought to use external consultants to determine remuneration policy but SGLB has sought advice from Price Waterhouse Coopers on certain regulatory issues. Price Waterhouse Coopers have also provided training to the SGLB Remco on their role and responsibilities.

3. INFORMATION ON LINK BETWEEN PAY AND PERFORMANCE

Variable compensation structures across SG Group are designed to support sustainable and risk adjusted performance as well as individual job requirements.

SGLB operates a robust and effective performance management system that takes into account individual performance, behaviour and conduct against both financial and non-financial performance at an individual, Business Unit and Branch-wide level.

Individual performance objectives set are in accordance with the SMART method (the objectives are Specific, Measurable, Accessible, and Realistic and fixed within a Timeframe). This means that the objectives are clearly identified and can be assessed by indicators that are known to the employee.

All permanent employees are eligible for an annual discretionary bonus based on their performance, that of the department or Business Unit in which they work (with the exception of control functions), the overall performance of Group and the way in which these results were achieved. The award also takes into consideration the economic and competitive context. In order to avoid any conflicts of interest, variable remuneration is not directly or solely linked to the amount of revenues generated.

The allocation of discretionary variable compensation at the individual level takes into account:

- the employee's achievement of quantitative and qualitative objectives set at the beginning of the year. This is measured within 3 core objectives – behavioural, operational and job performance;
- the assessment of the employee's conduct, risk management behaviour, respect of internal procedures and compliance, and adherence to the Group Leadership Model values;
- input from control functions or other specific body; and
- compensation practices and internal consistency.

The total amount of variable compensation is therefore based on a combination of the assessment of the performance of the individual and of the Business Unit concerned and of the overall results of the Branch and SG Group, taking into account financial and the non-financial criteria.

3.1. Compliance & Risk Assessment

SGLB Risk and Compliance departments ensure that all types of current and future risks impacting SGLB have been considered as part of the determination of bonus envelopes at the SG Group level that will impact SGLB. They

independently assess the main business lines that have a major impact on the risk profile of the Company. The results of this assessment will impact the variable remuneration envelopes.

In addition, the Risk and Compliance departments independently assess CRD V regulated staff, the conclusions of which are taken into consideration when approving the individual distribution of the variable remuneration envelope. Variable remuneration will be adjusted downwards in the event of a negative review.

4. DESIGN CHARACTERISTICS OF THE COMPENSATION SYSTEM

Compensation for the majority of employees is made up of 3 key elements;

- Fixed compensation which may include the following components: fixed salary, permanent role-based allowances linked to position and allowances related to international mobility
- Benefits; and
- Variable compensation.

In accordance with regulations, for CRD V regulated staff where annual variable remuneration exceeds £44k or is greater than or equal to one-third of total annual remuneration (if annual variable remuneration is less than £44k) the structures will include the following;

- A deferred portion subject to conditions of continued employment, performance, appropriate risk management and compliance, vested over four years by 25% annual installments, with a deferral rate of at least 40% and up to 70% for the highest variable remunerations;
- 50% in the form of Societe Generale shares or share equivalents, i.e. 50% of the vested portion and 50% of the deferred portion. Societe Generale share equivalents are units in cash whose value is determined relative to the share price quoted on the NYSE Euro next market in Paris over a given reference period.

More specifically, the variable remuneration granted to CRD V regulated staff is structured as follows;

- A non-deferred vested portion paid in cash in March of the year following the performance year;
- A deferred vested portion paid in share equivalents, the final amount of which paid to the employee is indexed to the Societe Generale share price at the end of the retention period;
- A deferred unvested portion paid in cash (which is not indexed to the share price) on the first two annual installments, with the final payment subject to the employee's continued employment and performance conditions, and to the risk adjustments described hereafter in 4.1;
- A deferred unvested portion paid in shares or share equivalents on the first two annual installments, the vesting of which is also subject to the employee's employment and to the conditions described hereafter in 4.1, the value of which is ultimately indexed to the Societe Generale share price at the end of the retention period.

In addition to the above the variable remuneration granted to employees of SGLB, and the support or control functions, is also subject, when it reaches at least £85k, to deferred payment at a progressive rate over three years on a pro-rata temporis basis, with the first payment in cash and next two payments in shares or share equivalents. The vesting conditions for the unvested portion are the same as those for the CRD V regulated population.

Employees in Control Functions are paid independently of the performance of the business Units that they oversee and are assessed against objectives linked to the functions within which they work. Their remuneration is predominantly fixed and the decision-making process regarding their remuneration is independent and is designed to avoid conflicts of interest with the other business functions.

Guaranteed compensation awards made by SGLB will only be granted or paid in exceptional circumstances, in the context of hiring new employees and limited to the first year of service. They are approved in line with the Group delegation rules and by the SGLB CEO.

Discretionary payments linked to the early termination of an employment contract are under no circumstances set out contractually in advance. They are determined at the time the employee leaves the Bank taking into account legal constraints

4.1. Performance Measurement and Risk Adjustment

For all staff whose variable remuneration is partially deferred, the vesting of the deferred variable remuneration component depends entirely on both (i) the fulfilment of financial performance conditions and (ii) appropriate risk management and compliance.

Financial performance conditions are based on SG Group's Core Tier One ratio and the profitability of the Group and the core business or activity. If performance conditions are not met each year, deferred variable compensation is partially or fully forfeited (malus principle).

Long-term incentive plans for Management are subject to TSR (Total Shareholder Return) relative performance conditions.

In addition, any excessive risk-taking or behaviour deemed unacceptable by Senior Management may lead to a reduction or non-payment of deferred variable compensation, or clawback.

5. AGGREGATE QUANTITATIVE INFORMATION ON REMUNERATION

5.1. Broken down by business area

| Article 450 (1)(g) CRR: Aggregate quantitative information on remuneration, broken down by business area. | |
|--|---------------------------|
| Business Area | Total Remuneration |
| Management, Support and Control | £74,058,310 |
| Business Lines | £171,063,468 |

5.2. Broken down by senior management and other Code staff

| Article 450 1(h) & (h)(i) CRR: Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the firm. | | | |
|---|--------------------------|------------------------------------|---------------|
| | Senior management | Other members of Code Staff | Totals |
| Fixed remuneration | £2,286,986 | £8,721,016 | £163,930,917 |
| Variable remuneration | £2,341,200 | £12,403,074 | £81,405,571 |
| Number of Staff | 29 | 6 | 35 |