Société Générale SA – General Meeting of Shareholders of 22 May 2024
Responses to written questions from shareholders.

The text of the following questions has been summarised (without changing the meaning) when it is unnecessary to quote them in full to ensure their proper understanding.

<u>Question from Mr. Philippe De Jong, individual shareholder</u> *<u>(question sent by email on 24 April 2024)</u>*:

2023 net banking income down 7.5%, ROTE under 5% (versus more than double that in 2021), net return on the share down 4.4%, an annual increase in the share price of just 2.3% despite share buybacks: are these not all factors that would cause doubt among SG shareholders as to the effectiveness of past strategic directions and damage their confidence in those about to be adopted?

<u>Response of the Board of Directors</u>:

As announced during the presentation of the 2022 annual results, 2023 was a transition year financially. There were significant changes in economic factors that affected our activities, in particular the change in the interest rate regime and the economic slowdown, versus the level of growth observed in recent months.

Due to the specific features of the French retail banking market (limited capacity to pass on interest rate hikes to real estate loans and consumer credit due to the usury rate, real estate loans on fixed rates over long maturities, the significant weight of regulated savings among households, the remuneration terms of which are largely linked to inflation and interest rates), the rapid and significant rise in interest rates observed from 2022 had a particularly penalising effect on the net interest income of the French Retail Banking activities, whose revenue levels reached a low in the third quarter of 2023 before gradually rising since then.

Moreover, the particularly favourable economic conditions that the vehicle leasing activities and the capital markets activities had benefited from after the Covid period gradually normalised in 2023, after the highs observed in 2022.

We also adopted new strategic directions in September 2023 to make our Group more solid, more efficient and more profitable and to create the conditions for a sustainable performance that can bring about a structural reduction in the discount on the share price in relation to the Group's intrinsic value, as represented by its net tangible asset value.

A progressive strategic structural approach has therefore been adopted to strengthen our Group. Financially, our operating performance improved in the first quarter of 2024, underpinned by the results of the Global Banking and Investor Solutions division and solid revenue from International Retail Banking activities, while French Retail Banking began to show an improvement, with an increase in net interest income in relation to the previous quarter, and the margins of Ayvens began to stabilise amid a normalisation of second-hand vehicle prices. Costs are evolving in line with our trajectory.

In relation to strategic initiatives, we officially launched the Bernstein joint venture, creating a new leader in equity research and cash equities. We continue to simplify our business model, while strengthening the Group's capital, and in recent weeks have announced plans to sell Societe Generale Equipment Finance and subsidiaries in Morocco. Following these initial steps, we will continue to implement our roadmap over the coming months in line with our trajectory. We thank you for the trust you have shown in our Group and for your long-term commitment.

<u>Questions from Mr. Pierre-Yves Grimaud, individual shareholder</u> *<u>(questions sent by email on 1 May 2024)</u>*:

> **Lyxor and the Private Banking business were part of CIB until 2021 and turned in a very poor cost to income ratio above 80% (94% in 2018 and 2019, 90% in 2020, 84% in 2021).**
> **In 2022, Lyxor was sold to Amundi and the Private Banking arm was housed with the France network.**
>
> **What was the cost to income ratio of Private Banking in 2022 and 2023?**
> **What was the cost to income ratio of the France network (excluding Private Banking) in 2022 and 2023?**

<u>Response of the Board of Directors</u>:

The French Retail Banking arm and the Private Banking and Insurance activities are now housed together under the same structure in order to continue strengthening synergies between these different businesses both in terms of product offerings and client relations, thus facilitating a more integrated client pathway.

A significant proportion of the operating expenses, in particular those related to the corporate centre functions but also those related to certain IT expenditure (systems and infrastructures), are shared at the level of this structure. For structural reasons, therefore, it is not possible to give an off-the-cuff cost to income ratio of the Private Banking activities. We can say that given the respective size of the French Retail Banking activities and the Private Banking activities, the impact of the Private Banking cost to income ratio on the entire structure's cost to income ratio remains limited, even taking into account the growth in revenue observed in the Private Banking arm since 2022. The Private Banking activities weighed slightly on the cost to income ratio in 2022 and improved it slightly in 2023.

Questions from Mr. Pierre-Yves Grimaud, individual shareholder *(questions sent by email on 2 May 2024)***:**

The 2024 Universal Registration Document states that:
The notional amount of commitments related to trading derivatives totals EUR 16,307 billion (page 470 of the Document).
The notional amount related to hedging derivatives is EUR 677 billion (page 474).
This equates to almost EUR 17,000 billion in total commitments.
NB: During the Q&A session at the AGM on 23 May 2023 you stated that you had 23,000 contracts and 13,000 counterparties for a total of EUR 15,800 billion in commitments at 31 December 2022.

1. **How many contracts were there on 31 December 2023?**

2. **And with how many counterparties?**

3. **These off-balance sheet commitments account for more than 10 times the total consolidated balance sheet: Were the models developed by your services to calculate the "fair value" of these commitments validated by the ACPR (French Prudential Supervisory and Resolution Authority) or by your Statutory Auditors?**

4. **In their comments on pages 624 and 625, the Statutory Auditors considered the off-balance sheet commitments question to be a "key audit matter". An error, fraud or omission in one out of a thousand would be equivalent to a nominal amount of EUR 17 billion (give or take), with a considerable impact on the bank's capital. In these conditions, how many contracts did your Statutory Auditors perform audit procedures on (amount, compliance with covenants, counterparty quality, etc.) in order to certify as to the accuracy of the accounts?**

Response of the Board of Directors:

By way of introduction, as we have already pointed out, the notional amounts of derivative financial instruments correspond to the nominal amounts of the derivatives' underlying instruments (e.g., the value of underlying shares for an equity option, the nominal amount of the theoretical loan and borrowing for an interest-rate swap, etc.). Together with other parameters, they serve as the basis for the calculation of the fair value of the derivatives. However, their gross value does not reflect the financial risk to which the Group is exposed. Accordingly:

- The notional commitments presented in the Universal Registration Document correspond to the total of the gross amounts of the commitments on all the underlyings on which the bank took positions, and do not take into account any netting between the contracts that mutually hedge each other, even when they are concluded as part of overall netting agreements. The management of risks arising from exposures to derivatives is mainly performed by introducing new contracts in the opposite direction (to reduce the overall net exposure), rather than terminating existing contracts early. As such, the total exposure measured as the total of gross exposures does not reflect the risk that the bank would run in the end.

- The off-balance sheet commitments do not take into account the margin call and deposit guarantee mechanisms, the purpose of which are to limit the exposure and the risks.

- The fair value of derivative instruments is different from the amount of notional commitments. Hence, the fair value of a derivative instrument is generally zero at initiation, even if the notional amount can be very high. Likewise, the fair value of a conditional derivative instrument only corresponds at initiation to the premium received or paid (recognised on the balance sheet), which is generally only a small percentage of the notional amount.

For example, a derivative instrument perfectly hedged by another derivative instrument, with daily margin calls securing their settlement, whose net fair value corresponds to the Bank's intermediation margin, resulted in the presentation of cumulative notional amounts of the two instruments, in the table entitled “Commitments (notional amounts)” in the 2024 Universal Registration Document.

At end-December 2023, there were approximately 24,000 contracts, while the number of counterparties stood at around 13,000 at year-end 2023. As mentioned previously, the high number can be explained by the fact that the contracts are mainly not “terminated” or cancelled, but are rather cancelled or reduced by the introduction of a new contract with an opposite position. These contracts are subject to numerous controls, in keeping with best practices and regulatory standards. Among these controls are counterparty reconciliations, which, in the majority of cases, are automated. Notably, there are also daily margin call mechanisms to safeguard changes in value of these instruments by enabling an immediate payment.

The accounts are certified by the Statutory Auditors. Details of their audit approach on the key audit matter concerning the valuation of financial instruments appears in their Statutory Auditors’ report inserted in the Universal Registration Document on pages 621 to 630 (more specifically on page 625) for the consolidated financial statements, and on pages 698 to 704 (more specifically on page 700) for the annual financial statements.

The comments made therein relate to the audit of the consolidated financial statements in their entirety. The Statutory Auditors have no comment to make on any individual aspect of these consolidated financial statements.

<u>Questions from Mr. Marcel Chassagnard, individual shareholder</u> *<u>(questions sent by email on 3 May 2024)</u>*:

1. **As the company is having difficulty maintaining its dividend, why do you not propose reinvestment in new shares, as others have effectively done, to gain the loyalty of the small shareholder while at the same time discouraging them from placing this money elsewhere and paying further transaction costs?**

2. **Are you going announce at the AGM the creation of an individual shareholders consultative committee with the goal of hearing all small shareholders whether they are clients (via web or branch) or not?**

3. **Why are double voting rights not offered after at least two years as a shareholder, as successfully offered by other companies, in order to gain shareholder loyalty?**

<u>Response of the Board of Directors</u>:

During the presentation of the strategic roadmap on 18 September 2023, the Group gave a precise description of the distribution policy until 2026. It is based on a payout rate of between 40% and 50% of reported net profit, with an even distribution between dividends in cash and share buybacks from 2024.

A payout amount in line with this policy has been proposed for the 2023 financial year, with a higher proportion of dividends being paid in cash in order to maintain a minimum return in the form of cash. This payout rate is 40%, giving a total distribution for the 2023 financial year of around EUR 1 billion, equivalent to EUR 1.25 per share. It will involve a dividend in cash of EUR 0.9 per share, which was submitted for approval to the Combined General Meeting of 22 May 2024, and around EUR 0.35 per share (i.e. around EUR 280 million) in the form of share buybacks which will be carried out after the AGM.

Concerning the payment of the dividend in new shares, a transaction of this type would increase the amount of shareholders' equity but would reduce future earnings per share. To avoid dilution effects caused by the distribution of new shares, the Group therefore favours the distribution of a dividend in cash or in the form of a share buyback, followed by a cancellation of these shares. Unlike the payment of a dividend in new shares, this method serves to increase earnings per share for future years.

Societe Generale's Shareholders Consultative Committee was created more than 30 years ago to promote strong, comprehensive and regular dialogue. It comprises 12 individual shareholders who are appointed for three years, with renewal of the members on a periodic basis. Click on the link below for further information: Shareholders Consultative Committee - Societe Generale (societegenerale.com). Each year, during the discussions at the Group AGM, the first question is asked by a member of the Shareholders Consultative Committee.

As per your wish, the shareholders of Societe Generale have double voting rights after two years as a registered shareholder.
This right has existed since 1993 and is governed by Article 14 of Societe Generale's By-laws. You can consult this document on the Group's website.

Question from Mr. Romain Feraud, individual shareholder (question sent by email on 14 May 2024)**:**

> **From what date exactly will it be possible to obtain monthly, quarterly and annual management reports of this FCPE (employee savings fund), specifying, as for all French UCITS, the details of the portfolio and all transactions carried out over the period under review?**

Response of the Board of Directors:

The most recent annual and interim reports can be obtained at any time on the Esalia website via the investor portal or on request. *

Moreover, the https://sg29haussmann.societegenerale.fr/ website updates information on a daily basis on factors such as net asset values, performance results and risk indicators, and publishes other information such as PRIIPS-KID and minutes.

* These reports are in line with regulatory obligations, such as those set by the AMF.

<u>Questions from Ms. Annie Evrenian, individual shareholder</u> *<u>(questions sent by email on 10 May 2024)</u>*:

1. **As an international bank operating in the United States and with plans for further expansion there, can you explain how you integrate, in concrete terms, ethical and compliance objectives into your US development strategy in this highly regulated market?**
2. **What are the processes, controls and training put in place to ensure that your activities and local teams comply strictly with US banking sector regulations, which are considered very strict, in order to prevent any risk of unethical behaviour, compliance failure and sanctions?**
3. **Are these risks valued and related provisions set aside in the group's accounts, and if so, for what amounts?**
4. **What measures do you take?**

<u>Response of the Board of Directors</u>:

In the United States (as elsewhere in the Group), the bank maintains a risk management system that involves the application of three lines of defence, entailing, among other things, a supervisory framework within the business itself (first line of defence) and robust additional programmes implemented by the Compliance and Risk departments (second line of defence). Under this model, the implementation of the development strategy for the United States is reviewed by the control functions (Compliance and Risk) in a general manner and on a case-by-case basis through the new product approval processes and daily supervision procedures, which take into account ethical and regulatory compliance objectives and obligations. A team dedicated to ethics and conduct reports to the CEO.

In accordance with local regulatory obligations, SG US also maintains an internal control programme that includes Written Supervisory Procedures adapted to the activities and the related risks (including risks related to unethical behaviour, compliance failure and sanctions). Each year, SG US approves and executes a mandatory training plan based on risks and an analysis of needs. This plan includes training that is specifically geared to managing risks of unethical behaviour, compliance failure and sanctions. All mandatory training is monitored to ensure completion (up to 100% completion rate for the targeted headcount).

Risks related to conduct, compliance failure and sanctions are not subject to prior generic provisioning but once an event such as a financial sanction becomes likely, a provision for the expected losses is set aside in accordance with the accounting rules and the applicable rules of prudence.

5. **Which members of the Board of Directors will have the task of ensuring increased vigilance on the Group's strategic and operational ethics, bearing in mind that impeccable ethical behaviour is required worldwide?**

<u>Response of the Board of Directors</u>:

The Group carries out monitoring to ensure that ethical and impeccable behaviour is applied wherever it operates in the world. Various controls are in place for this purpose.

As regards the role of the Board of Directors in ensuring greater vigilance on the Group's strategic and operational ethics, as in all areas applicable to the Board of Directors, this role is carried out in a collegial manner by all members of the Board of Directors.

In French law, there is a well-established precedent according to which the Board of Directors can only act collectively, based on the assumption that the Board's decisions must be taken on the basis of discussions between its members. Also, roles are not divided by law between the different members of the Board such that each has a separate role. The members of the Board of Directors should therefore be regarded collectively rather than individually.

This being the case, certain members of the Board of Directors carry our preparatory work for the Board as per their membership of the different Board committees. Incidentally, preparatory work on this particular subject is carried by the Nomination and Corporate Governance Committee of the Board of Directors in order for the Board to examine matters relating to corporate governance and carry out its work in the area of corporate culture.

Finally, as a reminder, the non-voting Director has the role of supporting the Board of Directors in its work on corporate social responsibility and in particular the energy transition. In addition to helping to define strategy in this area, the non-voting Director assists all the Board's committees when they discuss CSR-related issues.

<u>Questions from Mr. Jean-Michel Lagneau, individual shareholder</u> *<u>(questions sent by email on 14 May 2024)</u>***:**

For at least a year, SGSS has refused to settle by cheque the dividends decided by the various client companies of SGSS. The reason indicated = the regulation dated 01/01/2007.

1. **What about the period from 01/01/07 to the end of 2022? Is SGSS acting illegally? Why does it refuse to produce the text of the mentioned regulation for the shareholders concerned?**

2. **Have SGSS client companies been informed? Did they benefit from a reduction in invoicing? At least one other establishment continues to make settlements by cheque.**
3. **Is SGSS's position strictly compliant with banking laws and practices?**

4. **This is a time of cost cutting in all areas. Why send the URD by registered post?**

<u>Response of the Board of Directors</u>:

1) We changed our payment policy in 2022 and ceased the production and sending of cheques for the payment of dividends and of sales by pure registered shareholders on the registers of issuers managed by Societe Generale Securities Services in order to more broadly implement payment by bank transfer, which tends to be used by most shareholders.

This decision was adopted in accordance with the issuers in order to favour more secure payment methods and reduce fraud risks, while improving payment times for shareholders.

In accordance with the regulations, we also communicated this decision to shareholders before implementing it and the general terms and conditions of our securities account agreement were updated accordingly.

Due to the voluminous nature of this document, it is necessary to send it by registered post.
Naturally, we recommend that it be consulted in electronic format.

2) Under the law, issuers must send shareholders, at their cost, documents that are relevant to the proceedings of the Annual General Meeting, including the universal registration document.

To comply with this obligation within the required timeframe and to avoid any dispute by the shareholder, the only possible solution in view of the postal regulations is to send it by registered post. In fact, there is no other postal solution given the weight of the document.

Like yourself, we also consider it a costly exercise. For this reason, we strongly recommend to our shareholders that they request receipt of the URD by electronic means, as authorised by the law (Article R 225-88 of the French Commercial Code).

Questions from the Association of Ethical Shareholders *(question sent by email on 14 May 2024)***:**

I'm asking this question on behalf of ShareAction. My question is whether Societe Generale will update its unconventional oil & gas financing restrictions to include offshore ultra-deepwater oil & gas.
Societe Generale has made good progress in recent years developing robust restrictions for certain forms of unconventional oil & gas, notably on oil sands and fracking. However, currently, the bank has not placed any restrictions on ultra-deepwater oil & gas – a notable omission, given the risky nature of this activity and how it can devastate marine environments.
With a water depth of over 1,500 meters, ultra-deepwater oil & gas activities must contend with a hostile environment. Mud volcanoes, landslides, collapses, pressurized gas and water pockets are some of the risks involved in drilling and operating a deepwater well. High wave activity can make it impossible to clean up oil spills, and effects on wildlife and corals can be severe.
According to Banking on Climate Chaos, Societe Generale provided $2 billion USD to offshore oil & gas in 2022—the third largest amount provided by a European bank. The bank's peers have started to implement both asset and corporate financing restrictions on ultra-deepwater activities, reflecting the uniquely risky profile of this offshore segment. HSBC and UniCredit, for example, have placed asset restrictions covering both upstream and midstream ultra-deepwater oil & gas, as well as corporate financing restrictions for companies whose exposure exceeds certain thresholds.
My question is this: will Societe Generale update its unconventional oil & gas policy by the end of the year to include both asset and corporate financing restrictions for ultra-deepwater oil & gas, defined as offshore activity below 1,500 meters.

Response of the Board of Directors:

Societe Generale has adopted an ambitious policy for the oil and gas sector, which includes (i) stopping the financing dedicated to upstream oil and gas greenfield projects (final investment decision after 31.12.21) as well as the midstream infrastructures associated with these fields, (ii) stopping the financing of FPSOs associated with greenfield upstream oil and gas fields and, after 2025, any FPSO, and (iii) phasing out of exposure on upstream oil and gas private pure players.
These restrictions, and in particular those on greenfield projects and associated midstream infrastructures, concern ultra-deepwater oil and gas.

The financing amounts allocated to offshore oil and gas ultra-deepwater exploration in the Banking on Climate Chaos report should be considered with caution as they are based on a breakdown of all types of financing according to the distribution of the production of the company being financed. Thus, in the Banking on Climate Chaos report, liquidity lines (revolving credit facility with a 1-year maturity and often undrawn) are arbitrarily allocated to the ultra-deepwater exploration segment despite no financing link with this type of infrastructure.

FPSO: Floating Production Storage and Offloading.

<u>Questions from Reclaim Finance, a non-profit association</u> *<u>(questions sent by email on 16 May 2024)</u>***:**

<u>“Non-targeted” financial services to companies that participate in the expansion of fossil fuel based activities</u>

BNP Paribas stated recently that it has ceased bond issuance activity in the oil and gas sector because this type of activity participated in the financing of “anything and everything”.

In fact, any “general” or “non-targeted” financing, such as “conventional” bonds or sustainability linked bonds (SLB), is likely to contribute to the financing of activities involved in the development of new oil and gas projects led by oil and gas companies. Projects that are not compatible with the goal of limiting global warming to 1.5°C and with the Net-Zero by 2050 scenario of the International Energy Agency to which Crédit Agricole refers in its climate policy.

1. **Is Societe Generale ready to make a commitment to follow BNP Paribas on this path by ceasing to issue “non-targeted” bonds of companies that participate in the expansion of fossil fuel-based projects?**

2. **If so, we congratulate you, but will you also halt general loans and other services, such as sustainability linked loans (SLL) and revolving credit facilities (RCF), that may support the expansion of fossil fuel-based projects, in disregard of your commitments?**

<u>Target ratio of financing of sustainable energies versus fossil fuel-based energies</u>

The exit from fossil fuels requires massive development of renewable energies, the network and storage capacities. The goal set by the IEA is to achieve a financing ratio of 6:1 by 2030. In concrete terms, supporting the energy transition in a credible manner must involve the allocation of six dollars to sustainable energies for every one dollar allocated to fossil fuel-based energy.
BNP Paribas has committed to publishing this - albeit imperfect - ratio, and other US banks like JP Morgan, Citi and Royal Bank of Canada have also pledged to publish a similar financing ratio.

3. **Do you plan to publish such a ratio and commit to reaching a ratio of 6:1 by 2030, in accordance with the carbon neutral trajectory promoted by the International Energy Agency?**

<u>Response of the Board of Directors</u>:

The Group has not yet adopted any exclusions in its sector policy concerning “non-targeted” financial services.

Nevertheless, we have adopted a very selective approach:

- We have decided to exit from a certain number of business relationships with players specialised in the production of oil and gas, this concerns all related financial services.

- We treat diversified energy groups on a case-by-case basis. We pay close attention to their objectives and their investments to contribute to a low carbon economy through criteria such as: (i) their carbon footprint, (ii) their climate commitments, (iii) the diversification of their activities, (iv) the resources deployed, such as R&D, and the level of investment allocated to energy transition-related activities, and (v) the governance structures they have put in place to implement their climate objectives.

As a reminder, the Group has also implemented an ambitious policy on companies that participate in the expansion of oil and gas activities. This overall approach, which was significantly strengthened last year, draws on different complementary levers:

1. An oil and gas policy that includes:

- the cessation of financing specifically for new oil and gas projects (final investment decision made after 31 December 2021) and related infrastructures;
- the management in run-off of exposures to private players that are specialists in the upstream oil and gas sector.

The scope of this policy includes all financial services.

2. A strong ambition to reduce exposure and carbon emissions related to financing in this sector:

- a target of -80% for exposure to the oil and gas production sector by 2030 compared with 2019, with an intermediary target of 50% by 2025;

- a goal to reduce scopes 1, 2 and 3 greenhouse gas emissions by 70% in absolute value by 2030 versus the 2019 level.

These voluntary targets go well beyond the International Energy Agency's NZE scenario.

The Group has not yet published targets showing its ratio of financing of sustainable energies versus fossil fuel-based energies.

Nevertheless, we are watching closely the IEA's Net Zero by 2050 roadmap in order to accompany the energy transition projects of our clients. We have taken due note of the energy investment ratios that you mentioned, as well as those related to infrastructure and usage.

Our contribution to the financing of renewable energy was strong in 2023: Societe Generale was ranked the leading French bank and fourth globally for the financing of such projects (IJ Global Infrastructure and Project Finance League table 2023), with a production level of USD 5.6 billion. This compares with annual production of USD 3 billion in 2022, representing an increase of more than 85%.

We continue also to make progress in our target contribution to sustainable finance (EUR 300 billion by 2025). At the end of 2023, we had already contributed more than EUR 250 billion to sustainable finance. We are going to start working with a new target that is in line with our strategic roadmap and our alignment work.

As a reminder, the Group is strongly committed to a process of increasing its contribution to the energy transition for which it has deployed several initiatives:

- To train its employees in transition-related objectives,
- To acquire new technical expertise,
- To transform the mandate of its teams and adapt its financing offer,
- To raise awareness among its different categories of clients and offer them appropriate solutions, where relevant by integrating the services of technical partners,
- To be able to invest in capital to support transition and green technology players, through a fund of EUR 1 billion (of which EUR 0.3 billion for nature-based solutions and impact financing projects aligned with the UN SDGs).

This year, we finalised our work on setting carbon footprint reduction targets for a dozen industrial sectors with the highest emission levels, in accordance with the recommendations of the UN Net-Zero Banking Alliance. Through this work, carried out in conjunction with industrial groups and scientists, we were able to increase our knowledge of the sectors, the multi-sector value chains and their specific carbon reduction objectives.

In addition to setting targets for 2030, we carried out a review of the levers within each sector for reducing carbon intensity through suitable financing. In the case of electricity generation, for example, we have set a carbon intensity target for 2030 that is slightly lower than that set under the International Energy Agency's NZE scenario. This target will give rise to a transformation of the energy mix in our financing activity with a reduction of fossil fuels and an increase in low-carbon energies.

Question from the Association of shareholders who are employees or former employees of the Societe Generale Group (ASSACT SG), a non-profit association *(question sent by email on 16 May 2024)*

The African subsidiaries and SGEF which were recently sold had synergies in place with other Group activities (e.g. investment and retail banking networks in France).

What were the criteria that influenced these recent decisions and what is the timeline for completing the refocus of the activities?

Response of the Board of Directors:

As we indicated during the investor day held on 18 September 2023, in the context of the strategic roadmap presented during the Capital Markets Day in September 2023, the Group initiated a review of the portfolio consistent with the goal of building a more integrated, synergistic and efficient model.

This review was based on a list of specific criteria, primarily the following:

1. Profitability level and/or outlook in line with the Group's targets
2. Expected profitability above the cost of capital of the activity concerned
3. Positioning of the activity on its market and prospect for profitable growth
4. Level of synergies with the rest of the Group
5. Existence of extreme risks within the activity.

The review of these criteria led the Group to announce planned disposals of several activities, including the recent disposals of certain African subsidiaries and the activities of SGEF (with the exception of those located in the Czech Republic and Slovakia). The Group is continuing this portfolio review in accordance with its strategic analysis criteria and is integrating the interests of and impacts on the various stakeholders. No specific schedule will be communicated for this exercise, as the review is expected to be finalised over the horizon of the plan, based on requirements for efficiency and strategic consistency with our objectives.

Questions from Mr. Corentin Mignien, individual shareholder (questions sent by email on 17 May 2024)**:**

1. **Dear members of the Board of Directors, how do you explain that Societe Generale is one of the rare stocks in the European banking sector to be trading at <0.4x its tangible book value (TBV)?**

2. **Moreover, our share is trading at a discount of 40-50% on the sector average. You implemented a cost cutting strategy affecting all levels which did not result in a rise in the share price. What other strategy(ies) are you implementing in the interests of the shareholders?**

3. **I would also like to take this opportunity to ask you how you justify the increase in your revenue in relation to the average increase in employee wages and in the share price/dividends?**

Response of the Board of Directors:

The share price does not effectively reflect the Group's intrinsic value as represented by the tangible book value. The strategic roadmap presented in September 2023 aims to create the conditions for a sustainable performance, a structural reduction in the stock market discount and to firmly establish our positioning as a leader in Europe.

With this in mind, we launched a medium-term strategic plan to make our Group more solid, more synergistic and more efficient with controlled costs and sustainably high profitability. The Group is making progress in the execution of this plan and has achieved several major strategic milestones in recent months. For example, we announced the launch of the Bernstein joint venture, which creates a new global leader in equity research and cash equities and enabled us to broaden the offering of corporate and investment banking services.

Similarly, the operational integration of LeasePlan within Ayvens is progressing in line with the initial plan, with major milestones reached in the creation of a new global leader in leasing and mobility services. The simplification of our business model to build a more efficient and synergistic Group is also progressing well. We recently launched an initiative at the level of the head office in France and announced several sale agreements related to the equipment financing activities and subsidiaries in Morocco, neither of which had been meeting the strategic criteria we had set.

All of these initiatives combined with the impending finalisation of the merger of the networks in France will help to gradually improve our operating performance and profitability in line with the targets we communicated.

The publication of the 2024 first quarter results reflects this trajectory with an improvement in the operating performance underpinned by the results of the Global Banking and Investor Solutions division and solid revenue from International Retail Banking activities, while French Retail Banking began to show an improvement, with an increase in net interest income in relation to the previous quarter, and the margins of Ayvens began to stabilise amid a normalisation of second hand vehicle prices. Costs are evolving in line with our trajectory.

Concerning the remuneration of directors, at its meeting of 11 January 2024, the Compensation Committee issued a favourable opinion on the proposal by the Nomination and Corporate Governance Committee to submit for the approval of the General Meeting of Shareholders of 22 May 2024 an 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 (Chapter 3 of the Universal Registration Document).

The Compensation Committee observed that the last increase had been made in 2018, with no change made since then, even though the number of directors receiving compensation had increased from 12 to 13 since 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 during the three-year periods from 2015 to 2017 (45), 2018 to 2020 (52) and 2021 to 2023 (53).

This increase is lower than the increase (+10%) in the average basic salary at Societe Generale in France 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 sector companies of comparable size and com

Question from Mr. Philippe de Jong, individual shareholder (question sent by email on 15 May 2024):

Will the shareholders be consulted in the event of a sale of SG to a foreign player? My question stems from recent statements by the President of the Republic carried in the press which suggest that an acquisition of SG by its Spanish rival Santander could be envisaged. I imagine that the President would not make such a statement without having informed the Board one way or another. It is very plausible because SG would be a much easier prey than BNP or Crédit Agricole, given that its share is known to be undervalued in relation to the assets on the balance sheet. Based on this assumption, it does not seem right to me that the shareholders would not be consulted for their view of such an acquisition at the AGM. Hence my question on the views of the Board in this regard.

Response of the Board of Directors:

Generally speaking, we do not comment on statements by the public authorities that primarily concern issues of a European political nature.

Concerning Societe Generale, we are fully committed to the execution of our strategic roadmap to make our Group more solid, more efficient and more profitable and to anchor our positioning as one of the leading banks in Europe. The different strands of the roadmap that we presented during the Capital Markets Day in September 2023 are based on solid capital, controlled costs, high profitability, a simplified business model and continued risk management to the highest of standards throughout the cycle. This strategic structural approach has started to show results, as reflected in the Group's recent publications, and we will continue to implement it in line with our medium-term trajectory.

In the context of a public acquisition and/or exchange offer, the role of shareholders is necessarily central insofar as each shareholder must take an individual decision as to whether or not to tender their shares to the offer proposed.

Before each shareholder makes their decision, stock market regulations require that the Board of Directors provide a detailed opinion on the proposed offer. The aim is to provide a clear picture for shareholders to be able to make an informed decision.

The regulations also stipulate that the Social and Economic Committee must submit an opinion. Since the introduction of French Law No. 2014-384 of 29 March 2014 “aiming to reconquer the real economy”, when a company has not opted for the principle of neutrality in its by-laws, the Board of Directors may, during the period of a public offer, take any decision that when implemented is likely to cause the offer to fail, subject to the powers expressly attributed to Annual General Meetings that fall within the company’s corporate interest, according to the terms of Article L. 233-32 of the French Commercial code, while at the same time ensuring to comply with the guiding principles of offers, such as they are set out in Article 231-3 of the General Regulation of the AMF.

As such, the executives may, without having to consult the shareholders, take any measure that could cause the offer to fail. Nevertheless, the powers of the Board of Directors are not limitless during public offer periods; they must in particular comply with the prerogatives of the Annual General Meeting.

As a reminder, therefore, the financial authorisations conferred on the Board of Directors by the Annual General Meeting to increase the share capital would be suspended during the period of a public offer on the share capital of the Company, except for resolutions relating to issuances reserved for the employees in the context of a global employee share ownership plan decided prior to the opening of the public tender offer and free allocations of performance shares to the employees and executive officers (dirigeants mandataires sociaux) if provided for in the company compensation policy.

As a result, if the Board of Directors wished to increase the share capital during the period of a public offer, it would have to obtain prior authorisation from the Annual General Meeting. Moreover, the AMF (DOC n° 2015-05) and the AFEP-MEDEF Code (Article 6.4) both provide that the opinion of the Annual General Meeting must be obtained in the event that a sale is envisaged, in one or more transactions, of at least half of the company's assets.

<u>Questions from Mr. François Plassais, individual shareholder</u> *<u>(questions sent by email on 16 May 2024)</u>*:

1. **Are SG's disarray, its troubles and its lack of organisation more profound and otherwise resistant given the disillusion over the last quarterly results and the gap observed in relation to your main French competitors?**

2. **After a long period of various reorganisations and disposals, do you still have the means to fulfil your ambitions of ensuring solid growth and profitability for the survival of the Group and to sustain comparison with your main rival, which has left you so far behind?**

3. **Having overhauled the different activities, what sources of profit will you develop to ensure a more promising result apart from the latest directions which have already disappointed and which do not seem sufficient for a recovery?**

4. **Are you not getting conspicuously close to a hostile public takeover given the Group's weak valuation and the significant deterioration in its profitability?**

<u>Response of the Board of Directors</u>:

Societe Generale is making progress in the execution of its new strategic roadmap, which was presented during the Capital Markets Day in September 2023, the goal of which is to make our Group more solid, more efficient and more profitable, with controlled costs and high profitability. Several strategic milestones have been achieved in recent months, which have contributed to our achievement of these objectives, with the launch of the Bernstein joint venture which has created a new global leader in equity research and cash equities and broadens the services offering of the corporate and investment banking arm, and the operational integration of ALD and Lease Plan, creating a new global leader in leasing and mobility services.

In line with our strategic roadmap, we are also making progress in the simplification of our business model in order to build a more efficient and integrated model. We have announced several sale agreements for the equipment financing activities and subsidiaries in Morocco, after conducting portfolio reviews based on strategic criteria.

We recently launched an initiative at the level of the head office in France. Finally, on 3 May 2024, our Group published its latest quarterly results which show an improvement in our operating performance in the first quarter of 2024, underpinned by the results of the Global Banking and Investor Solutions division and solid revenue from International Retail Banking activities, while French Retail Banking began to show an improvement, with an increase in net interest income in relation to the previous quarter, and the margins of Ayvens began to stabilise amid a normalisation of second hand vehicle prices.
Costs are evolving in line with our trajectory. Having achieved these initial steps, the implementation of our roadmap will continue over the coming months in order to strengthen our Group and its foundations and create the conditions for a sustainable performance that will enable a structural reduction in the discount on the stock price versus the Group's intrinsic value and firmly establish our positioning as one of the leading banks in Europe.

<u>Questions from Mr. Paul Strock, individual shareholder</u> *<u>(questions sent by email on 16 May 2024)</u>***:**

We believe that the buyback by the company of its own shares – outside of the employee savings plans – has a detrimental effect for the shareholders in the long term.

<u>Response of the Board of Directors</u>:

A share buyback is a means of paying out a return on the results. A payout in the form of a share buyback has an equivalent impact on shareholders' equity as a payout in the form of a dividend payment in cash.

Such a buyback has an economic benefit for the shareholders because it leads to an increase in the intrinsic value of the listed share once the shares bought back are cancelled, with an automatic increase in earnings per share and in the dividend per share, all other things being equal. In fact, the expected future results on which the valuation of the listed share is based are split over a smaller base, i.e. a smaller number of shares.