



Remuneration Policy

Exane Group



The Remuneration Policy has been drawn up in line with all applicable regulations, especially European Directive 2013/36/EU of 26 June 2013 (the CRD IV Directive), as clarified by the French and the British transposition rules. This Policy is designed to achieve three main goals:

- guarantee the ongoing competitiveness of the Group within its markets;
- ensure the long-term growth of the company and its businesses;
- consider potential compliance, financial and other operational risks.

The Remuneration Policy is applied for all Group employees, except for those of Exane AM and Ellipsis AM which have their own Remuneration Policy.

This Policy states that the remuneration awarded to each Exane employee shall comprise a fixed salary and a variable remuneration which is established on the basis of a combined appraisal of individual performance and the result of his activity, the business unit's results and the Group's results Performances.

The balance sheet of the Exane group falls under the €10 billion threshold, which means that it can apply the principle of proportionality and be exempt from certain provisions of the French Monetary and Financial Code. Nevertheless, the Group wishes to operate in accordance with a strict and exacting framework and conduct a comprehensive review of all "Code Staff", by implementing deferral rules for the variable portion of every employee's salary above a certain variable limit (including those who are not classed as "Code Staff") and by introducing procedures that include clawback clauses for "Code Staff".

The Compensation Policy is managed by the Compensation Committee. This committee has three members, none of whom holds any managerial position within the Exane group. The role of the committee is to assist the *Conseil d'Administration* with all aspects of the Remuneration Policy. In particular, it assesses whether the Policy is written and implemented in compliance with applicable statutory and regulatory provisions, and with the company's risk management goals. The committee also ratifies the list of "Code Staff", the individual remuneration of each member of the Group Executive Committee and the remuneration of the heads of the Group's control functions. It reviews the total amounts to be allocated as annual bonus pools.

In terms of compensation, the general principles of the Exane Group are:

- The bonus pools are calculated using iterations between the estimated individual remuneration (bottom-up analysis) and a framework analysis at company and business level (top-down analysis). The final amounts allocated to each business line are determined by the Managing Director, with input from Finance and Human Resources, then reviewed and ratified by the Compensation Committee / *Conseil d'Administration*.
- The total bonus amount is calculated according to criteria that are documented in the procedure, in conjunction with the annual individual performance reviews (measured using qualitative and quantitative, financial and non-financial criteria).
- The bonus pool allocated to the control functions and the individual bonus of their employees are calculated using specific targets, and independently of the performance of the activity they control.
- There is a Control/Compensation Committee for each business line and each Support and Control Function. This reflects the Exane group's wish to continuously reinforce the risk and compliance culture into the daily performance of each employee, by making compliance with the rules a factor in the calculation of their bonus.
- The individual bonus of Exane employees is paid as a cash lump sum up to a certain level; any amount above that level, which is determined by the internal governance, is then deferred over 3 years. This deferral principle applies to all employees; however, the way in which their bonuses are paid depends on their employee category ("Code Staff" or otherwise) and on the Business Line where they work.



Therefore, the share of the bonus which is deferred is greater for "Code Staff" (at least 40% of the variable salary, or 60% for particularly high amounts), and the value of the deferred amounts may get reduced based on performance during the year preceding each payment (malus mechanism) in order to maximise the adjustment margin, in the event of poor performance, for employees from Business Lines who contribute more to the Group's risk profile.