



Remuneration policies and practices report

2021 Year

April 2022



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This report is produced to comply with regulatory provisions of Article 450 of EU Regulation 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms.

Natixis' remuneration policy is a key factor in implementing its corporate strategy.

It ensures that the different components of compensation are balanced and that the benefits granted are in line with the duties performed. It also ensures that compensation is structured to promote long-term employee engagement and enhance the company's attractiveness, while discouraging excessive risk taking.

It reflects the individual as well as the collective performance of its business lines and employees, while ensuring not to be a source of conflicts of interest between employees and clients. It also aims at promoting behaviors that are in line with Natixis' culture and rules of good conduct.

1. General principles applicable to all Natixis employees

Natixis' compensation policy is intended to offer competitive compensation levels in relation to its reference markets. Natixis regularly compares its practices with those of other banking organizations in France and worldwide in order to ensure that its remuneration policy remains competitive and appropriate for each of its business lines.

It reflects the individual and collective performance of its business lines and employees. It also incorporates financial and qualitative performance criteria. The Chief Executive Officer's variable compensation includes corporate social responsibility criteria (see details in the Natixis 2021 Universal Registration Document).

The overall compensation of Natixis employees is structured around the following three components:

- **fixed compensation** which reflects the skills, responsibilities and expertise for a particular position, as well as the role and weight within the organization. It is determined according to the specificities of each business lines on its local market;
- **annual variable compensation**, awarded in accordance with the results of the activity and the achievement of predetermined individual quantitative and qualitative objectives;

- **collective variable compensation** associated with employee savings schemes, in particular in France (mandatory profit-sharing and optional collective incentive plan), as well as other local savings or benefits schemes offered in each jurisdiction.

All employees benefit from all or part of these different components, depending on their responsibilities, skills and performance. Natixis ensures a sufficient level of fixed pay to compensate its employees for their professional activities, based on their seniority and expertise.

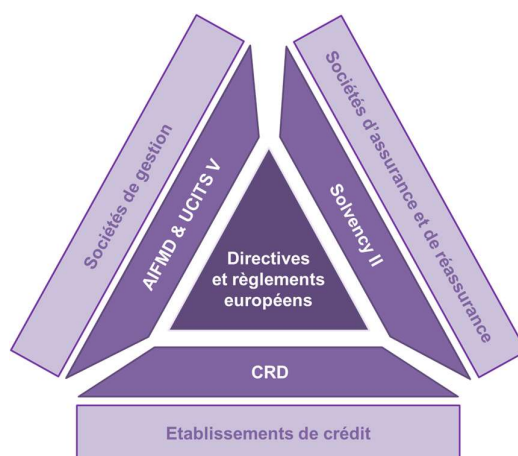
Guaranteed variable compensation is prohibited, except in the case of hiring outside Group BPCE. In this case, the warranty is strictly limited to one year. Guaranteed amounts in the event of early termination of the employment contract (beyond the conditions provided for by law and collective agreements) are prohibited (prohibition of "golden parachutes").

Beneficiaries of deferred variable compensation are prohibited from using individual hedging or insurance strategies during both the vesting period and the lock-up period.

Natixis' remuneration policy is based on respect for gender equality at work, and the principle of non-discrimination.

Natixis' remuneration policy is also in strict compliance with the regulatory framework applicable to its different business sectors, in particular with a European regulatory corpus composed of regulations, directives and their transpositions into national law:

- ✓ For credit institutions and investment firms: all the texts constituting the "CRD" package
- ✓ For asset management entities: AIFMD and UCITS regulations and related texts
- ✓ For insurance companies: Solvency II regulations



This framework based on areas of activity is complemented by regulatory arrangements, in particular the French Separation Law no. 2013-672 on the Separation and Regulation of Banking Activities ("LSB"), Section 619 of the U.S. Dodd- Frank Wall Street Reform and Consumer Protection Act ("Volcker Rule"), the European MIFID Directive and the European Regulation relating to the disclosure of sustainability risks in the financial services sector ("SDFR").

Natixis integrates the rules and principles defined in these various regulations into its remuneration policy and practices, in the aspects relating to governance, transparency, definition of variable compensation envelopes and individual allocations.

2. Governance of the remuneration policy

2.1. Principles and process of governance

Developed by the Human Resources Department in cooperation with the business lines, the remuneration policy is compliant with the principles defined by the regulators, while also observing the applicable social and tax laws in the countries where Natixis operates.

The decision-making process involves multiple stages of approval by subsidiaries and business lines, core businesses, human resources management, general management, and lastly the Board of Directors on the recommendation of the Compensation committee.

The variable compensation envelopes are defined according to the annual economic performance of activities after having taken into account the cost of risks, liquidity and capital, and verified the adequacy of the decisions made with regards to Natixis' ability to fulfill its regulatory obligations in terms of equity. When defining overall compensation envelopes and their allocation by activity, the economic factors mentioned above are taken into account, along with other qualitative factors, including the practices of competitors, the general market conditions in which the results were obtained, factors liable to have temporarily affected the performance of the business line or the stage of development of the related activities.

Individual variable compensation awards are based on the achievement of individual quantitative and qualitative objectives set at the beginning of the year. Concerning material risk takers and front-office employees working in market activities, the individual objectives systematically include obligations in terms of adherence to risk and compliance rules.

The remuneration policy for risk control and compliance staff, and more generally for support functions and the staff responsible for validating transactions, is based on their own targets, independently of the business lines' operations they validate or control.

The Risk and Compliance divisions' management teams are involved in particular in the process of identifying material risk takers as well as in determining specific annual objectives in terms of risk and compliance applied to the material risk takers, to the front office employees in market activities, or to employees covered by Law No. 2013-672 known as the Separation and Regulation of Banking Activities ("LSB") and Section 619 of the American law known as the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Volcker Rule").

The managers of the Risk and Compliance divisions are also involved in any decisions to reduce or cancel deferred variable compensation components during the vesting period, in the event of behavior liable to expose Natixis to an unusual and material risk.

Every year, the remuneration policy is reviewed independently by the Internal Audit department and externally by the supervisory authorities.

2.2. Composition and role of the Natixis Compensation Committee

As of March 1, 2022, those members were as follows:

Nicolas de Tavernost	Chairman
Anne Lalou	Member
Diane de Saint Victor	Member
Dominique Garnier	Member
Christophe Pinault	Member
Catherine Leblanc	Member
Henri Proglio (censeur)	Member

Three of the members are independent: Anne Lalou, Diane de Saint Victor and Nicolas de Tavernost, who is the Chairman of the Compensation Committee.

Below the only change in the composition of the Compensation Committee during 2021:

Director	Capacity	Appointment date
Dominique Garnier	Member	29/05/2021

The Compensation Committee's powers and operating procedures are specified in internal regulations.

The role of the Natixis Compensation Committee is to prepare the decisions of the Natixis Board of Directors on compensation, in particular those related to Natixis employees who have a significant impact on the company's risks.

In particular, the Committee reviews:

- The level and terms of compensation for the Chairman of the Board of Directors and the Chief Executive Officer (CEO), including benefits in kind, health, death & disability and pension scheme;
- The amount and the repartition rules for the compensation of the members of the Natixis Board of Directors to be submitted to the decision of the Natixis General Meeting;

- Whether Natixis' compensation policy complies with regulations;
- The annual review of Natixis' variable compensation policy, and in particular regarding the categories of staff whose professional activities are likely to have a significant impact on Natixis' risk profile.

The Compensation Committee also examines projects related to employee savings plans.

Natixis' CEO provides the Compensation Committee with any documents that may assist it in performing its duties and to ensure it is fully informed. Where necessary, the Compensation Committee can rely on Natixis' Internal Control Departments or outside experts.

2.3. Works of the Compensation Committee in 2021

The Compensation Committee met six times in 2021 fiscal year

In 2021, the Committee focused on the following areas:

Executive corporate officers	<ul style="list-style-type: none"> ■ Review of the components of compensation for 2020 and 2021 for executive corporate officers and validation of the compensation principles for the 2021 fiscal year
Compensation policy and regulations	<ul style="list-style-type: none"> ■ Review of regulatory aspects ■ Review of the compensation policy for members of the Board of Directors ■ Review of the financial conditions for the termination of service of the outgoing Chief Executive Officer ■ Examination of the request for restitution of the severance payment paid to the outgoing Chief Executive Officer ■ Examination of the methods for determining the compensation for the termination of service of the Chief Executive Officer for the future ■ Review of the mechanisms for adapting the compensation policy as part of the simplified takeover bid ■ Deferred pay policy: definition of the performance conditions for regulated staff for 2021 ■ Review of Natixis' compensation policy, including of the deferred income rules and conditions for paying variable compensation as well as the amounts of variable compensation for each business line ■ Review and monitoring of the achievement of performance conditions applicable to deferred variable compensation ■ Analysis of the compensation for the heads of control functions and regulated staff for fiscal year 2020 ■ Review of specific Risk and Compliance targets (2020 review & presentation of 2021 targets) ■ Analysis of compensation awarded to the 100 highest-paid employees ■ 2020 annual report on the compensation for regulated staff under CRD IV ■ Policy on gender equality in the workplace and presentation of the Equal Pay Indexes ■ Update on employee savings plans

3. Compensation of employees whose professional activities have a material impact on Natixis' risk profile in accordance with the CRD regulation ("material risk takers")

The remuneration policy applicable to Natixis' material risk takers is in line with the general principles followed by Natixis in terms of compensation policy and are subject to a legislative and regulatory framework resulting mainly from the CRD IV¹ Directive, as

transposed in French law in the Monetary and Financial Code (in particular in Articles L. 511-71 to L. 511-88) and amended by the CRD V Directive².

3.1. CRD material risk takers scope

Material risk takers are identified either by applying qualitative criteria based on their function and level of responsibility, as well as their ability to significantly commit Natixis in terms of credit or market risk, or based on the employee's total level of compensation for the previous fiscal year.

The employees in question are notified of their status.

Natixis has identified for the 2021 fiscal year a **total of 258** material risk takers, including:

223 employees identified through qualitative criteria:

- the members of the Board of Directors, i.e. **16** individuals*;
- the members of Natixis' Senior Management Committee, i.e. **12** individuals;
- the key managers of the control functions (Internal Audit, Risk, Compliance) and of the other support functions who are not members of the above bodies, i.e. **35** individuals;
- the key managers of the business lines and major geographical locations (excluding Asset Management and Insurance), who are not already identified by the above criteria, i.e. **20** individuals;

- the individuals with credit authorizations and responsibility for market risks reaching the thresholds defined by the regulations and who are not already identified by the above criteria, i.e. **140** individuals.

35 employees identified based on quantitative criteria:

- Employees whose total gross compensation awarded during the previous financial year was greater than €500,000 and the average of the total compensation of the management bodies, and who are not already identified according to qualitative criteria;
- For entities with more than 1,000 employees, those included in the top 0.3% best paid employees, and who are not already identified according to qualitative criteria.

Employees identified on an individual basis in significant Natixis subsidiaries

Within significant Natixis subsidiaries that are subject to the CRD, employees having a significant impact on the risk profile of their entity are also identified as risk takers on an individual basis.

88 employees have been identified as such for the 2021 financial year in these significant subsidiaries.

¹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, transposed in the Monetary and Financial Code by Order n°2014-158 of 20 February 2014 («CRD IV Directive »)

² Directive (UE) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, transposed in the Monetary and Financial Code by Order n°2020-1635 of 21 December 2020 (« CRD V Directive »)

3.2. Remuneration policy applied to CRD material risk takers

The compensation granted to members of the Board of Directors consists exclusively of directors' fees, the amount of which is predetermined. They do not receive variable compensation in respect of their duties.

The compensation granted to executive corporate officers is compliant with the CRD and its transposition into French law and is also within the scope of the recommendations of the AFEP-MEDEF Corporate Governance Code.

The compensation of the members of the Board of Directors and the CEO are detailed in Section 2.3. of the Natixis Universal Registration Document.

The remuneration policy for the material risk

takers under the CRD forms part of the general principles applicable to all Natixis employees, and also responds to the rules of governance and specific compensation structures.

Above a certain amount of variable compensation (set at 50,000 euros for the euro zone or at one third of the total compensation), the payment of a part of the variable compensation awarded is conditional and deferred over a period of at least four years and five years for members of the Senior Management Committee. This deferred amount of variable compensation vests in equal installments during the deferral period following the year in which the variable compensation is awarded.

Variable remuneration structure of the material risk takers

At least 40% of the variable compensation awarded is deferred. This proportion rises to 60% for those receiving the highest amounts of variable compensation.

The variable compensation awarded is also indexed at a minimum rate of 50%.

A retention period is set after the acquisition by the employee of the indexed variable compensation.

The members of the Natixis Senior Management Committee are also eligible to long-term incentive plans.

Vesting of deferred variable compensation is subject to the achievement of performance conditions linked to the results of the Group, the company, and/or the business line and/or the product line, as well as compliance by Natixis of its regulatory obligations in terms of equity. These conditions are explained when this compensation is awarded.

The components of deferred variable compensation may be reduced or forfeited during the vesting period, in the event of behavior liable to expose Natixis to an unusual and material risk.

In addition, material risk takers, and also front-

office employees working in capital market activities, are specifically subject on an annual basis to the achievement of predetermined targets in terms of risks and compliance. Conduct in terms of adhering to the risk and compliance rules is systematically taken into account when awarding annual variable compensation.

Finally, the variable compensation components granted to all material risk takers comply with the rules governing caps on variable compensation relative to fixed compensation, as defined by regulations.

As a reminder, CRD Directive caps the variable component at 100% of the fixed compensation for material risk takers, unless the General Shareholders' Meeting approves a higher percentage, which in any case may not exceed 200%. On May 19, 2015, Natixis' General Shareholders' Meeting capped the variable component at 200% of the fixed compensation for material risk takers.

In 2021, 40% of material risk takers received variable compensation ranging from 100% to 200% of their fixed compensation.

Lastly, Natixis applies to market activities front office employees variable compensation arrangements consistent with those applied to

the material risk takers (deferral over three years of a part of their variable compensation and indexation), except for performance

conditions applicable to the deferred part of the compensation and to the cap of the variable component related to the fixed component.

4. Quantitative information on the components of compensation awarded for 2021 financial year to the CRD material risk takers

(Amounts in millions of euros excluding employer contributions and collective profit-sharing plans).

Quantitative information on awarded compensation by area of activity

Awarded compensation Financial year 2020	Senior Management Committee	Board of Directors	Corporate & Investment Banking	Support functions	Control functions	Other	Total
Number of employees	12	16	152	18	50	10	258
Fixed compensation	7,5	0,9	50,5	4,1	9,3	2,1	74,3
Variable compensation	9,7	0,0	53,3	4,1	5,5	1,4	74,0
Total compensation	17,2	0,9	103,8	8,1	14,8	3,6	148,4

Quantitative information on awarded compensation

	Directors & Senior Management Committee	Other	Total
Number of employees	28	230	258
Total compensation	18,1	130,3	148,4
- incl. fixed compensation	8,4	66,0	74,3
- incl. variable compensation	9,7	64,3	74,0
- incl. non deferred	4,1	31,9	36,1
- incl. cash	4,1	31,9	36,1
- incl. shares or equivalent instruments			
- incl. other instruments			
- incl. deferred	5,6	32,4	37,9
- incl. cash			
- incl. shares or equivalent instruments			
- incl. other instruments	5,6	32,4	37,9

In the 2021 financial year, 32 material risk takers, of whom 50% were located outside France, benefited from a total compensation exceeding 1 million euros.

Quantitative information on awarded compensation between €1 million and €5 million

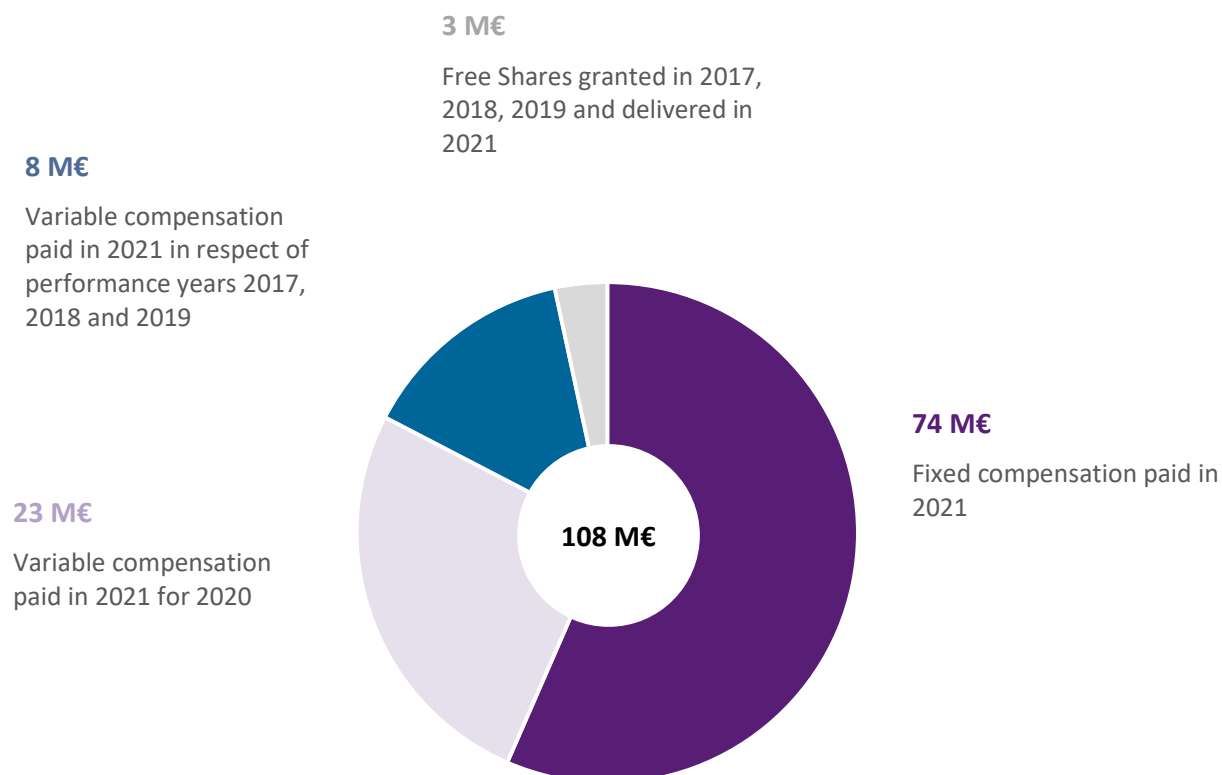
Total compensation (in euros)	Number of employees
From 1 to 1,5 million	15
From 1,5 to 2 million	10
From 2 to 2,5 million	5
From 2,5 to 3 million	1
From 3 to 3,5 million	1
From 3,5 to 4 million	-
From 4 to 4,5 million	-
From 4,5 to 5 million	-

Other information regarding material risk takers compensation

	Directors & Senior Management Committee	Other	Total
Amount of unvested deferred variable compensation for previous years and not granted yet	11,7	46,4	58,1
Severance payments paid			2,7
<i>Number of beneficiaries</i>			6
Amounts paid to new hires			3,3
<i>Number of beneficiaries</i>			9

5. Quantitative information on compensation paid in the 2021 financial year to the CRD material risk takers

Amounts in millions of euros excluding employer charges and collective incentive and profit-sharing



The amounts paid in 2021 for deferrals from past years differ from the amounts awarded due to the evolution of the Natixis' share price.

Amounts in millions of euros, excluding employer's contribution	Award value	Payment value*	Amount of explicit reductions in 2021**
Amount paid in 2021 for the 2020 variable compensation	31	23	0
Amount paid in 2021 for the deferred variable compensation of 2017, 2018 and 2019	17	8	10
Value of free shares delivered in 2021 at the vesting date	7	3	2
Total	55	34	12

* Including buyout.

** Resulting from performance conditions.



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