

Change within the General Management – Departure of Bernardo Sanchez Incera - Decision of the Board of Directors dated 3 May 2018

At its meeting on 3 May 2018, the Board of Directors acknowledged the resignation of Bernardo Sanchez Incera from his position as Deputy Chief Executive Officer. After consulting the Nomination and Corporate Governance Committee and upon proposal of the Compensation Committee, it examined the consequences to be drawn from this resignation on the related-party agreements binding him to the company.

The Board of Directors considered that his resignation was non-voluntary. As a result, the related-party agreements and commitments, non-compete clause¹ (6 months of fixed salary) and severance pay² (2 years of fixed salary), authorised by the Board of Directors dated 8 February 2017 will be applicable.

The Board reminds that in no circumstances may the severance pay and non-compete payment combined exceed the cap recommended in the AFEP-MEDEF Code, i.e. two years of fixed salary and variable annual remuneration plus, if applicable, any other severance pay provided for under the employment contract (especially as stipulated under a collective agreement).

The annual variable remuneration of Bernardo Sanchez Incera for 2017 will be submitted to the General Meeting of shareholders. The Board of Directors, considering that the termination of the term of office is justified by a strategic divergence on the conditions of supervision of the Group retail banking, decided to waive the condition of presence applicable to the vesting of the deferred annual variable remuneration for 2017.

The long-term incentives for 2017 are also part of the remuneration submitted to the General Meeting of shareholders. The Board of Directors considered that the departure of the Group being justified by reasons related to a change in the organisation of the General Management, the shares may be awarded or payments made based on the performance observed and assessed by the Board of Directors.

For the same reasons, the Board of Directors has also decided to waive the condition of presence for the vesting of the deferred variable remunerations and long-term incentives for the years prior to 2017, the other conditions remaining applicable.

As regards his remuneration for 2018, the fixed part will be paid for the period from 1 January 2018 to the expiry of his term of office on 14 May 2018.

Since the supplementary pension allocation is conditional on being employed by the company upon claiming the pension, Bernardo Sanchez Incera will lose its benefit.

¹ Related-party agreement with Mr Sanchez Incera approved by the General Meeting dated 23 May 2017.

² Related-party commitment with Mr Sanchez Incera approved by the General Meeting dated 23 May 2017.