CARAX

2015
COMPENSATION POLICY REPORT

I – COMPENSATION POLICY

1.1 Decision-making process

For financial institutions like Carax, a well-structured compensation policy is a key factor in successful risk management. Due to the size of our balance sheet, we are not required to have a special Compensation Committee (under Article 104 of the French decree of November 3, 2014). The main elements of our compensation policy are set by our Board of Directors.

1.2 Main principles and criteria

Compensation at Carax consists of a fixed component plus a variable component based on quantitative and qualitative criteria.
The quantitative criteria look at both individual and team performance; the qualitative criteria are designed to reduce – or even eliminate – the variable component if employees do not adhere to compliance guidelines or Carax's internal controls.

II –2015 POLICY REVIEW

Our Board of Directors reviews our compensation policy every year and makes sure that it has been properly applied across the company.

The 2014 review showed that:

- No staff member has professional activities with a material impact on Carax's risk profile, as specified in EU regulation 604/2014;
- No staff member involved in proprietary trading has generated significant losses;
- No staff member who has received variable compensation of at least €150,000 has incurred specific risks for the company;
- All new employment contracts comply with Carax's compensation policy;
- No ad hoc bonuses granted during the year affected the company's risk profile.

III – PUBLICATION

This report has been made available on the Carax website.

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