

**Report on the Remuneration Policy and Practices
for employees covered by the in
Article L. 511-71 of the French Monetary and
Financial Code and pursuant to the European
Commission's Delegated Regulation (EU)
No. 604/2014 of 4 March 2014**

FINANCIAL YEAR 2015

This report is drawn up in accordance with Article 450 of EU Regulation No. 575/2013 of 26 June 2013.

1. DESCRIPTION OF NATIXIS' REMUNERATION POLICY

Natixis' remuneration policy is a key factor in implementing its corporate strategy. It targets competitive remuneration levels with respect to its reference markets and is structured to encourage long-term employee commitment, while ensuring sound risks management. It reflects the individual as well as the collective performance of its business lines and employees.

Natixis regularly compares its practices with those of other banks in France and abroad, to ensure that its remuneration policy remains competitive and appropriate for each of its business lines.

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

- Fixed remuneration that reflects the skills, responsibilities and expertise expected in their job, as well as role and level of seniority in the organisation. It is set in accordance with the specific features of each business line in its local market.
- Variable remuneration granted according to the results of the activity and the achievement of predetermined individual quantitative and qualitative objectives.
- A collective remuneration linked to employee savings plans, in particular in France.

Every employee receives all or part of these components, depending on their responsibilities, skills and performance.

2. DECISION-MAKING PROCESS SET UP TO DEFINE THE REMUNERATION POLICY

2.1. Guidelines

The governance system set up by Natixis ensures a thorough review of its remuneration policy and compliance with the implementation guidelines. Developed by the Human Resources Department in collaboration with the business lines, the remuneration policy complies with the principles defined by regulators and with applicable tax and labour regulations.

The decision-making process involves multiple stages of approval by subsidiaries and business lines, business segments, human resources, senior management, and lastly the Board of Directors on the recommendation of the Remuneration Committee. The variable remuneration pools are set based on annual economic performance of activities after integration of the cost of risk, liquidity and capital and by verifying that the decisions made comply with Natixis' ability to fulfil its regulatory obligations in terms of capital. When defining variable compensation pools and their distribution by activity, the economic factors mentioned above are taken into account, along with other qualitative analysis factors, including the practices of competing companies, the general market conditions in which results were obtained, factors that may have temporarily affected the performance of the business line or stage of development of the related business lines.

Individual variable compensation awards are based on the achievement of individual quantitative and qualitative objectives set at the start of the year. As regards regulated persons and front-office employees in the Capital Markets division, the individual objectives systematically include obligations in terms of risk and compliance rules.

The remuneration policy for risk control and compliance staff, and in general for back-office staff, is based on their own targets, independently of the business lines whose operations they approve or monitor.

The Risks Department and Compliance Department are involved in identifying regulated employees and determining the specific annual targets for risk and compliance applied to regulated persons, to front-office staff in the Capital Markets division, or to employees covered by Law 2013-672 on the separation and regulation of banking activities ("LSB") and Section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("Volcker Rule").

The Risks Department and the Compliance Department may also reduce or withdraw deferred variable remuneration components in the process of vesting if the recipient's behaviour exposes Natixis to unusual and material risk.

The remuneration policy is also reviewed independently by the internal Audit Department.

2.2 Composition and role of the Natixis Remuneration Committee

As at 1 March 2016, the Remuneration Committee was composed as follows:

Nicolas de Tavernost	Chairman
Alain Condaminas	Member
Anne Lalou	Member
Alain Denizot	Member
Henri Proglío	Member
Philippe Sueur	Member

Of the six members, three are independent (Ms. Lalou, Mr. Proglío and Mr. de Tavernost). The Remuneration Committee has a balanced composition (50% independent, 50% non-independent) and the chair is held by an independent director.

- Changes to the composition of the Remuneration Committee over the 2015 fiscal year:
 - On 18 February 2015, Anne Lalou was appointed to the Remuneration Committee, replacing Christel Bories.
 - On 19 May 2015, Alain Denizot was appointed to the Remuneration Committee, replacing Didier Patault.
- No changes have been noted in the composition of the Remuneration Committee since the beginning of the 2016 fiscal year.

The role of the Natixis Remuneration Committee is to prepare the remuneration decisions made by the Board of Directors of Natixis, particularly for Natixis employees who have a material impact on the company's risks. The duties and operating principles of the Remuneration Committee are specified in internal bylaws, the latest version of which was approved by the Board of Directors on 17 December 2014.

The Remuneration Committee is tasked with preparing Natixis' Board of Directors decisions regarding:

- The level and terms and conditions of remuneration paid to the Chairman of the Board of Directors of Natixis, including benefits in kind, pension plan, health plan, and stock options for new or existing shares;
- The level and terms and conditions of remuneration paid to the Chairman of the Board of Directors of Natixis, including benefits in kind, pension plan, health plan, and stock options for new or existing shares;
- Rules for the distribution of attendance fees to be allocated to Natixis directors and the total amount subject to the decision of the Natixis General Meeting;
- Compliance of the Natixis remuneration policy with applicable regulations including the "regulated persons" referred to in the Order of 3 November 2014, as well as for employees covered by Law 2013-672 on the separation and regulation of banking activities ("LSB") and Section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act ("Volcker Rule") or the persons identified in the Alternative Investment Fund Managers Directive (AIFMD);
- The annual review of Natixis' remuneration policy, in particular for categories of employees whose professional activities may have a material impact on Natixis' risk profile;

The Remuneration Committee may be required to consider and advise on the insurance policies taken out by Natixis covering the liability of its managers.

It reviews proposals regarding employee shareholding and in particular proposals for capital increases reserved for Natixis employees, including stock option plans and bonus share plans, to be submitted for approval to the Board of Directors or the General Meeting.

The Remuneration Committee obtains from the Chief Executive Officer of Natixis all documents and information that it needs to accomplish its tasks.

It can call on assistance from internal control and external experts as and when needed.

Activity of the Remuneration Committee in 2015

The Remuneration Committee met three times in 2015. The attendance rate of its members was 100% over the full year.

Each Director's participation in the meetings of the Remuneration Committee is reported in Section 2.2 of the Natixis Registration Document (see notes for each Director).

At least three days in advance via a secure website, each director receives a file bringing together the items presented to the committee to allow study and analysis of the topics to be covered.

In 2015, the Committee’s work mainly involved the following:

<p>Executive corporate officers Members of the Executive Management Committee</p>	<ul style="list-style-type: none"> • Determining the fixed remuneration for the Chief Executive Officer for 2015 • Determining the fixed remuneration for the Chairman of the Board of Directors for 2015 • Determining the variable remuneration for the Chief Executive Officer for 2014 and paid in 2015 • Determining the criteria adopted to calculate the variable remuneration for the Chief Executive Officer for 2015 • Consulting shareholders on the individual remuneration of executive corporate officers (“Say on Pay”) • Renewing agreements and commitments made in respect of the CEO • Renewing the principle of a Long-Term Incentive Plan award to corporate officers and widening the plan to include members of the Management Committee • Reviewing the AFEP-Medef recommendations regarding remuneration for corporate officers
<p>Attendance fees</p>	<ul style="list-style-type: none"> • Reviewing provisions relating to the payment of directors' attendance fees
<p>Remuneration policy and regulations</p>	<ul style="list-style-type: none"> • Reviewing compliance of Natixis’ remuneration policy with applicable regulations including the “regulated persons” referred to in the Order of 3 November 2014, as well as for employees covered by Law 2013-672 on the separation and regulation of banking activities (“LSB”) and Section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (“Volcker Rule”) or the persons identified in the Alternative Investment Fund Managers Directive (AIFMD), • Incorporating operational risks monitoring into the remuneration system • Implementing Solvency II, UCITS V and Mifid II • Identification process of regulated persons as defined by CRD4 • Reviewing the budget for fixed remuneration for 2015 • Reviewing Natixis’ remuneration policy including the structure and amounts of variable remuneration per business line • Reviewing specific Risk and Compliance objectives (2014 assessment 2014/2015 targets) • Examining the highest remunerations paid • Reviewing and monitoring the performance conditions applicable to deferred variable remuneration and to long-term incentive plans at Natixis • Variable remuneration paid to “regulated persons” for fiscal 2014 and 2015, • Reviewing the remuneration paid to managers in internal control roles (Risk, Compliance, General Audit) • Policy on fair pay and professional equality
<p>Employee savings and shareholding</p>	<ul style="list-style-type: none"> • Presentation of employee savings schemes at Natixis • Reviewing the terms and conditions of the capital increase reserved for employees (Mauve 2015/2016) • Additional contribution to Natixis employees’ profit sharing schemes in France for fiscal 2014 • Impacts of the payment of an "exceptional" dividend on remuneration plans

3. REMUNERATION PAID TO EMPLOYEES WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON NATIXIS' RISK PROFILE ("REGULATED PERSONS")

The remuneration policy for regulated persons at Natixis is consistent with the remuneration guidelines followed by Natixis and those set out in EU Directive 2013/36/EU ("CRD IV") and the order of 3 November 2014. The scope of employees concerned is set out in compliance with Delegated Regulation 604/2014 of 4 March 2014.

3.1 Scope of regulated persons in 2015

Employees are identified, either by applying the qualitative criteria based on their role and level of responsibility and their capacity to make material commitments for the bank in terms of credit risks or market risks, or based on the amount of their total remuneration awarded during the previous year

Employees are informed of their status.

For 2015, **a total of 274 employees** were classified as regulated persons, of which:

235 identified employees based on qualitative criteria:

- Directors (15);
- Members of Natixis' Executive Management Committee (10);
- Key managers in internal control roles (general audit, risk, compliance) and other support functions who are not included in the categories above (42);
- Key managers of material business lines and geographical locations, excluding Asset Management and Insurance (29);
- Persons with credit authorisations and responsible for market risks that reach the thresholds set by the regulations who are not included in the categories above (139).

39 identified employees based on quantitative criteria:

Persons whose total gross remuneration for the previous year exceeded 500,000 euros, or whose remuneration ranks them among the 0.3% highest-earning employees, not already identified under the qualitative criteria.

The roles concerned are banking consultants, employees within structured financing, and, for capital market activities, structurers and sales managers.

3.2 Remuneration policy for regulated persons*

The remuneration of members of the Board of Directors consists solely of attendance fees, based on a predetermined amount. They receive no variable remuneration related to their mandate.

For other "regulated" employees, the amounts and arrangements regarding the payment of variable compensation are submitted to the Remuneration Committee before approval by the Board of Directors.

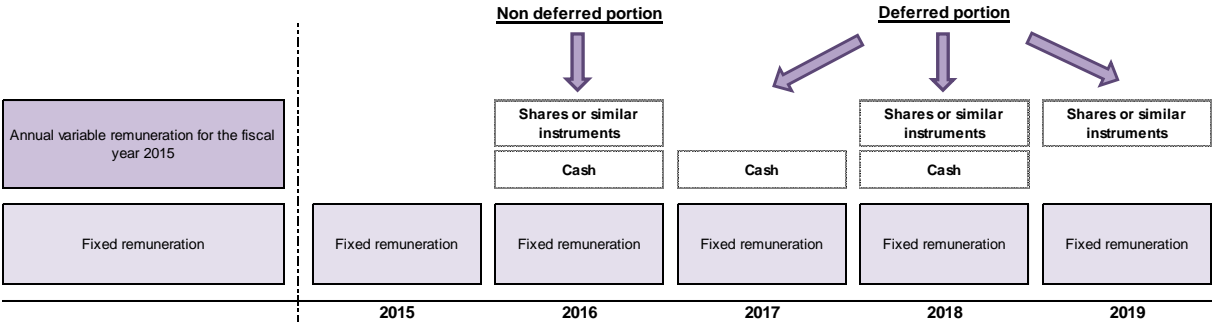
Above a threshold set at 100,000 euros, the payment of any portion of the variable remuneration is conditional and deferred. The payment is made in instalments of at least one-third of the amount, over the three years following the year in which it was granted.

Thus for variable remuneration granted for 2015:

- 50% of the non-deferred component of the variable remuneration granted is paid in cash in March 2016 and 50% in October 2016 in cash indexed on the performance of the Natixis share price since the award;
- the deferred component of the variable remuneration awarded represents at least 40% of the variable remuneration allocated, and 70% of the highest variable remuneration amount.

Variable remuneration granted in the form of securities or equivalent instruments represents 50% of the variable remuneration granted to regulated persons. This rule applies to both the deferred conditional component of the variable remuneration, and to the non-deferred component. The vesting period of this portion of the deferred variable remuneration is coupled with an additional retention period of six months.

Regulated employees: compensation structure for the fiscal year 2015



Vesting of deferred variable remuneration components is subject to achieving the performance targets related to the results of the Company and/or the business line and/or the product line, as well as to Natixis' compliance with its regulatory obligations in terms of capital requirements, and lastly a continued employment condition. These terms and conditions are explicitly communicated when the remuneration is granted.

Deferred variable remuneration components in the process of vesting may be reduced or withdrawn if the recipient's behaviour exposes Natixis to unusual and material risk.

Furthermore, regulated employees, as well as front-office employees in capital market activities, are specifically subject annually to respect for predetermined objectives in terms of risk and compliance: behaviour in terms of respecting risk and compliance rules is systematically taken into account when awarding annual variable remuneration.

Guaranteed variable remuneration is prohibited, except for recruitments outside the BPCE Group. In such cases, the guarantee is strictly limited to one year.

All beneficiaries of deferred variable remuneration are prohibited from using individual hedging or insurance strategies both during the vesting period and the holding period.

Lastly, it should be noted that the variables applied to all regulated persons comply with the regulatory cap on fixed remuneration defined by the regulation.

For the record, Article L. 511-78 of the French Monetary and Financial Code transposing the "CRD IV" Directive 2013/36/EU into French Law caps the variable component at 100% of the fixed component of the total remuneration of regulated persons unless the General Meeting approves a higher ratio which must in any case not exceed 200%. The Natixis General Meeting of 19 May 2015 approved a variable component cap at 200% of the total fixed remuneration paid to regulated persons.

This cap does not generate an additional cost for Natixis and does not lead to an increase in the level of the total remuneration of the regulated employees: it allows Natixis to maintain the necessary flexibility between variable awards and performance, and to hire and retain employees by offering them remuneration that match competitors' practices. In this respect, it is made clear that Natixis works in highly specialised and restricted employment markets, especially outside the European Economic Area where local players are not subject to regulatory caps on variable remuneration, or within Europe in financial markets unaffected by the CRD IV regulations.

In 2015, 42% of "regulated" employees were paid variable remuneration ranging between 100% and 200% of their fixed remuneration.

Lastly, Natixis applies to all front-office employees involved in capital markets variable remuneration policies similar to those applied to regulated persons (three-year deferral of a percentage of their variable remuneration partly in the form of shares or similar instruments), except for the economic performance conditions applicable to the variable portion of the remuneration and to the cap on the variable portion in relation to fixed portion.

* The remuneration of the members of the Board of Directors and the CEO are outlined in Section 2 of the Natixis Registration Document.

4. AGGREGATED QUANTITATIVE INFORMATION

Compensation awarded to Natixis' regulated employees for the financial year 2015 (*amounts in thousands of euros and excluding employer contributions and collective profit-sharing plans*)

Breakdown by activity

Awarded remuneration - financial year 2015	Senior management committee	Board of Directors	BGC	Control functions	Other	Total
Number of employees	10	15	188	42	19	274
Fixed remuneration	5 110,00	552,50	56 089,38	8 276,00	3 216,83	73 244,70
Variable remuneration	7 814,28	-	57 408,18	5 269,94	1 956,50	72 448,89
Total remuneration	12 924,28	552,50	113 497,56	13 545,94	5 173,33	145 693,60

Detailed information on compensation structure for Natixis 'regulated employees: financial year 2015

Compensation awarded to Natixis regulated employees	Directors and Senior management Committee	Other	Total
Number of employees	25	249	274
Total remuneration	13 445,11	132 248,49	145 693,60
- o/w fixed remuneration	5 630,83	67 613,87	73 244,70
- o/w variable remuneration	7 814,28	64 634,62	72 448,89
- o/w non deferred	2 704,54	35 012,86	37 717,41
- o/w cash	1 243,07	19 408,51	20 651,59
- o/w shares or equivalent instruments	1 461,47	15 604,36	17 065,83
- o/w other instruments	-	-	-
- o/w deferred	5 109,74	29 621,75	34 731,49
- o/w cash	1 752,82	14 730,87	16 483,69
- o/w shares or equivalent instruments	3 356,92	14 890,88	18 247,80
- o/w other instruments	-	-	-
Unvested variable remuneration	5 536,17	39 163,97	44 700,15
Deferred remuneration paid	1 585,39	12 719,99	14 305,38
- Amount of reductions to deferred remuneration	-	-	-

Severance payments made during financial year	3 376,44
<i>Number of beneficiaries</i>	7
Highest individual payment	1 856,23

Sums paid to new hires	973,08
<i>Number of beneficiaries</i>	1

In 2015, 26 regulated employees, out of which 62% out of France, benefited from a total compensation exceeding 1 million euros.

Total compensation	Number of employees
From 1 000 000 to 1 500 000 EUR	15
From 1 500 000 to 2 000 000 EUR	4
From 2 000 000 to 2 500 000 EUR	4
From 2 500 000 to 3 000 000 EUR	3
From 3 000 000 to 3 500 000 EUR	-
From 3 500 000 to 4 000 000 EUR	-
From 4 000 000 to 4 500 000 EUR	-
From 4 500 000 to 5 000 000 EUR	-