

Corporate Governance



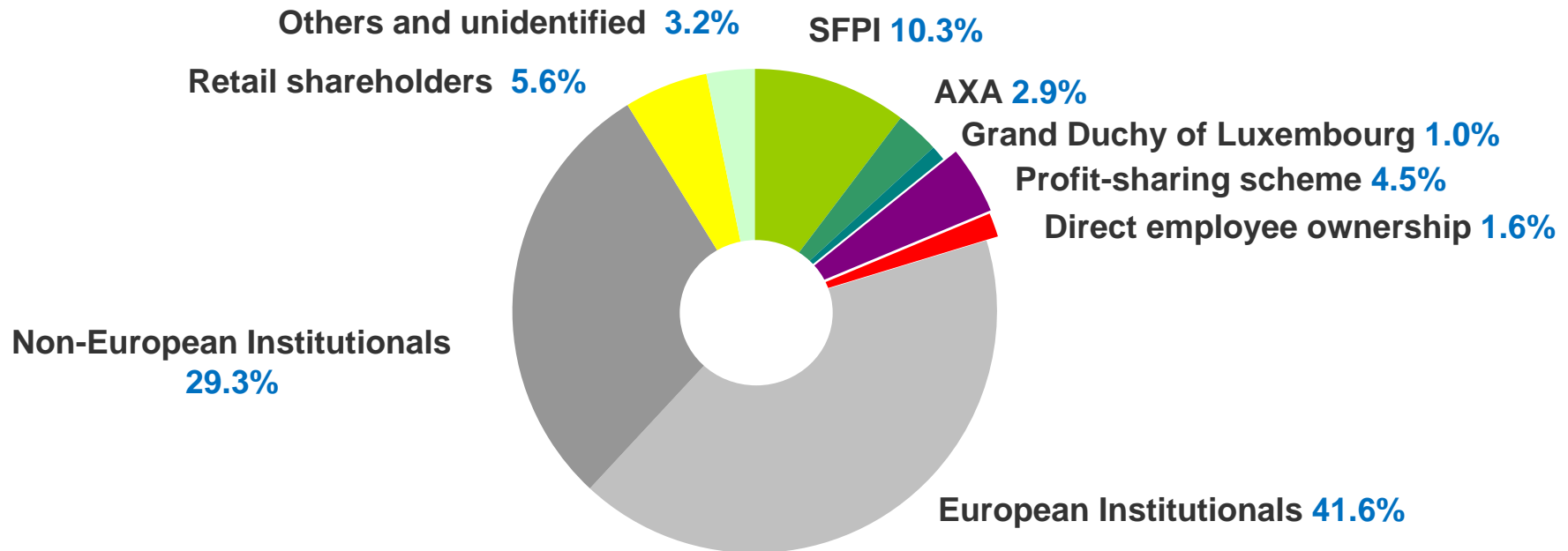
Paris

September 2013



Share ownership structure

Share ownership structure of BNP Paribas at 30 June 2013 (as % of capital)



- A very liquid security, included in all the leading indices
 - CAC 40 → DJ Euro Stoxx 50 → DJ Stoxx 50 → Global Titans
 - FTSE4GOOD → DJ SI World → ASPI Eurozone → Ethibel

Corporate governance

Best practices

- Separation of the functions of Chairman and CEO since 2003
- No member of the Executive Committee has sat on any of the Board Committees since 1997
- Audit Committee set up as soon as 1994, whose competencies were split :
 - Financial Statements Committee on the one hand
 - On the other hand, a Compliance, Risks and Internal Control Committee
- Undertaking by the Directors to surrender their office to the Board in the event of any significant change in their duties or powers
- Shareholders' protection: 1 share = 1 vote = 1 dividend
 - No double voting rights
 - No voting caps
- No anti-takeover or public exchange offer measures
- On-line voting before the General Meeting
- Immediate announcement of the outcome of the voting and of the composition of the quorum, after each General Meeting

Composition of the Board

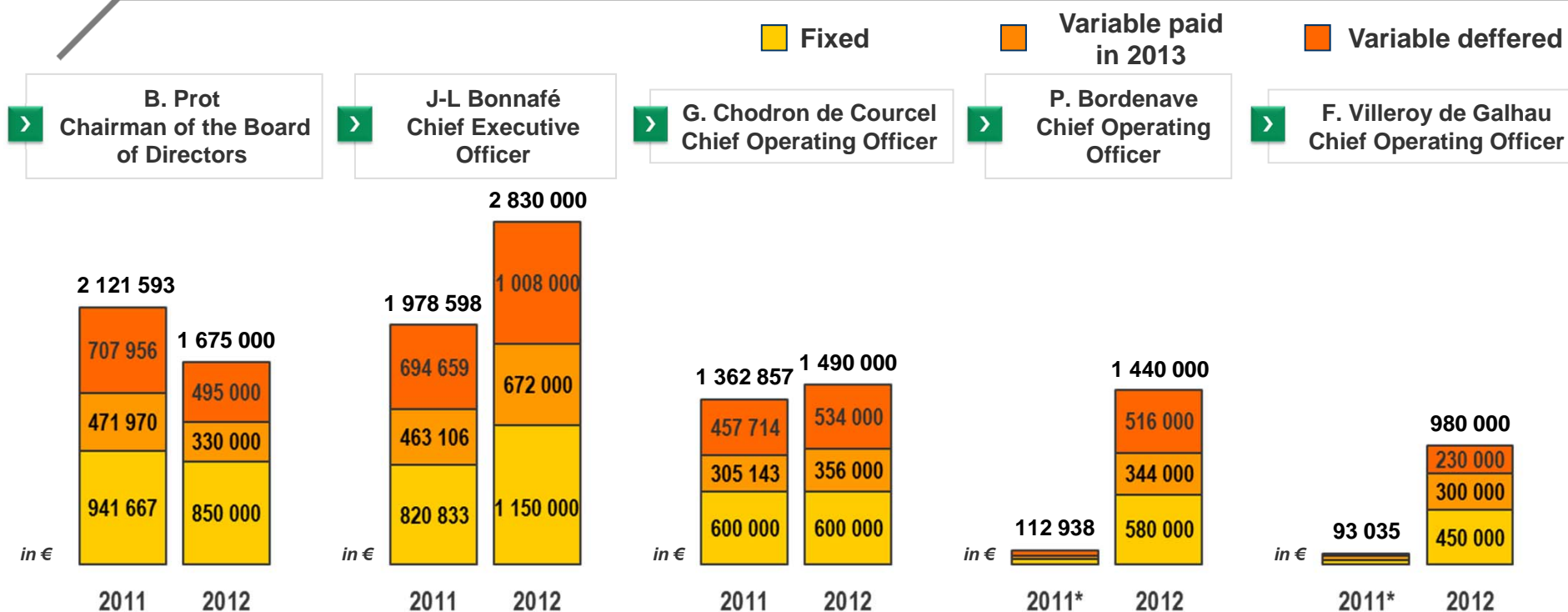
Board of Directors after the 2013 AGM

- **14 directors appointed by the General Meeting**
 - For 3 years
 - Representing 3 nationalities
 - Including 11 “independent” directors, in accordance with the guidelines of the Board and the French stock market (ie close to 80% of the directors elected by shareholders)
 - Including 5 ladies (ie more than one third of directors elected by shareholders)
- **2 directors elected by the staff**
 - For 3 years
 - Not considered “independent” based on French stock market criteria, despite the method of their election



**Composition fully complies with stock market recommendations:
largely more than 50% are “independent” directors**

Remuneration of corporate officers



Gross remuneration	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Group net income	100	124	156	194	208	80	155	209	161	174
Total remuneration	100	114	130	145	144	46	113	136	118	146
Variable remuneration	100	120	142	163	160	0	105	135	105	135
Average total remuneration	100	114	130	145	144	38	113	136	105	117

Rules for determining variable remuneration for 2013 (1/2)

Criteria	% of TVR ⁽¹⁾	Baudouin PROT Jean-Laurent BONNAFE Philippe BORDENAVE	% of TVR ⁽¹⁾	Georges CHODRON de COURCEL François VILLEROY de GALHAU
QUANTITATIVE: Criteria related to the Group's performance	37.5%	- Change in Earnings per Share	18.75%	- Change in Earnings per Share
	37.5%	- Achievement of the Group's budgeted Gross Operating Income (GOI)	18.75%	- Change in net income before tax of businesses under responsibility
	25.0%	Managerial Performance as assessed by the Board of Directors in terms of foresight, decision-making and leadership skills	18.75%	- Achievement of the Group's budgeted GOI
			18.75%	- Achievement of budgeted GOI of businesses under responsibility

⁽¹⁾ Target Variable Remuneration

Rules for determining variable remuneration for 2013 (2/2)

- The target variable compensations (as a % of fixed remuneration) are set at:
 - 100% for Baudouin Prot (absolute maximum)
 - 150% for Jean-Laurent Bonnafé, Georges Chodron de Courcel et Philippe Bordenave
 - 120% for François Villeroy de Galhau
- 60% of the variable compensation awarded will be deferred over 3 years, with a minimum amount of 300,000 euros payable in 2014
- Half of the non-deferred portion is itself postponed for 6 months and indexed to the share price
- The amounts thus deferred will be:
 - spread over 2015, 2016 and 2017
 - subject to return-on-equity conditions
 - indexed for half of their total on the share price

The Board makes sure that the amount of the variable remuneration as well as the addition of its constituents are consistent with the Group's results evolution

The variable compensation cannot exceed 180% of the fixed remuneration ⁽¹⁾

(1) 100% for the Chairman of the Board

Post-employment benefits

- **Golden parachutes**

With the exception of Jean-Laurent Bonnafé, Corporate officers receive no contractual compensation for the termination of their term of office

- **End-of-career compensation**

- Baudouin Prot will receive when he retires, within the frame of a transaction duly authorised by the Board and the AGM, a compensation of 150,000 euros for the end of its labour contract in May 2011
- Jean-Laurent Bonnafé is not entitled to any retirement bonus
- Philippe Bordenave, Georges Chodron de Courcel and François Villeroy de Galhau should benefit, upon their retirement and depending on their original contractual situation, from the provisions applicable to all employees of BNP Paribas SA

- **Pension scheme**

- Baudouin Prot and Georges Chodron de Courcel have a collective and conditional supplementary pension scheme in accordance with the provisions of the French Social Security Code and with the AFEP-MEDEF corporate governance guidelines
- Subject to their presence in the Group at the time of retirement, the pensions that would be paid under this scheme would be calculated on the basis of the remuneration received in 1999 and 2000, without any possibility of subsequent vesting of rights
- The total pension amount (including compulsory schemes) may not represent more than 50% of the remuneration thus determined

Holding and retention of shares

Stock options and performance shares

- Neither Baudouin Prot, nor Jean-Laurent Bonnafé or Georges Chodron de Courcel received stock options or performance shares in 2009, 2010, 2011 or 2012. Neither Philippe Bordenave nor François Villeroy de Galhau, who have been corporate officers since 1 December 2011, received any allocation in 2012
- Throughout their term of office, corporate officers will be obliged to hold a minimum number of shares, set at 80,000 for Baudouin Prot and Jean-Laurent Bonnafé⁽¹⁾, 30,000 for Georges Chodron de Courcel and Philippe Bordenave⁽²⁾ and 20,000 for François Villeroy de Galhau⁽²⁾
- Corporate officers are obliged to retain, throughout their term of office, a number of shares acquired by exercising options.

This obligation is set at 50% of the net acquisition capital gain, and applies

- to the options allocated to Baudouin Prot and Georges Chodron de Courcel with effect from 1 January 2008
- to those allocated to Jean-Laurent Bonnafé, Philippe Bordenave and François Villeroy de Galhau subsequent to the date of their appointment as corporate officers⁽³⁾

⁽¹⁾ Not beyond 1 December 2014; ⁽²⁾ Not beyond 1 December 2016;

⁽³⁾ 1 September 2008 for JLB, 1 December 2011 for PhB and FVdG

Long-term conditional compensation of corporate officers

- In 2013 the Board of Directors revised the long-term (five-year) conditional compensation plan which it had put in place in 2011, with a view to encouraging corporate officers to identify with the bank's long-term success
- Main features of the plan:
 - No payment will be made in 2018 if the share price has not increased by at least 5% relative to 2013
 - Even if the share price increases by more than 5%, the payment of any such compensation, and its amount, would be conditional upon the achievement of a certain annual level of performance relative to an index of banks in the euro zone
 - The compensation would depend on the increase in the share price over the previous five years, but would vary less than proportionally with this increase, and be subject to a cap
- The amounts granted are valued in accounting terms by an outside firm, at 33% of the variable compensation granted in respect of 2012

Principles of variable remuneration of "regulated employees"(1/2)

- These principles are established and proposed by Group Human Resources in cooperation with the relevant business units, presented for approval to the "Compliance, Risks, Finance" Committee, then decided on by senior management in the Compensation Committee and presented to the Board of Directors which approve them
 - Procedures audited and checked by the Inspectorate General, whose report is submitted to the Compensation Committee
- The overall variable remuneration of market professionals takes into account, for each business unit concerned, all the components of profits and risk:
 - direct revenues, and direct and indirect costs allocated to the business unit;
 - internal cost of refinancing (including the real cost of liquidity);
 - risk provisioning;
 - return on capital employed.
- No guaranteed bonus, except in a recruitment context
 - limited to one year, and paid in the same conditions as the "non-guaranteed" remuneration (in particular with a deferred part)
- No guarantee of compensation for premature termination

Principles of variable remuneration of "regulated employees"(2/2)

- Payment
 - 555 M€ on the account of 2012* (+14% vs 2011 but always -45% vs 2010) to 3,248 employees
 - 40% to 60% deferred
 - Half in cash and half in units indexed to the BNP Paribas share price, paid in cash following a lockup period
 - In 8 instalments from 2013 to 2016
 - Deferred part locked in by thirds over the three years following the year of the award, subject to performance conditions each year
 - If the performance conditions are not achieved in a financial year, the corresponding deferred annual fraction is lost ("penalty")
 - Payments decreased by 53.36 M€ since 2011 pursuant to that rule
- The variable remuneration awarded for a financial year may not exceed a multiple of the fixed remuneration paid the same year
 - Multiple set annually ex-ante
- Ban on hedging and insurance

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