

Report on the Compensation Policy of NBC Paris

NBC Paris S.A. is a Class 2 investment firm with a limited scale of activities and a small population of Material Risk Takers (four individuals). In accordance with Article 51 of Regulation (EU) 2019/2033 and the EBA Guidelines on sound remuneration policies, the firm applies the principle of proportionality to its remuneration disclosures.

Definitions

- **BNC or Bank** refers to the National Bank of Canada.
- **BNC Group** refers to the National Bank of Canada and its subsidiaries.
- **NBC Paris** refers to NBC Paris S.A., a subsidiary of the National Bank of Canada.

1.0 General Principles Applicable to NBC Paris Employees

The policy defines the compensation framework for all NBC Paris employees. Its objectives are to:

- Maintain a fair balance and consistency between expected performance, NBC Paris's long-term interests, those of its shareholder, prudent risk management, and the compensation offering, as well as preferred compensation practices.
- Ensure consistency with BNC Group's compensation practices.
- Strengthen the alignment between risk-taking and individual compensation.
- Deter undue and excessive risk-taking.
- Prevent conflicts of interest.
- Guarantee compensation practices that are unbiased and gender-neutral.

The total compensation for NBC Paris employees consists of two components:

1.1 Fixed Compensation

- Fixed compensation rewards the level of responsibility, expertise, skills, and experience.
- It considers market conditions.
- It is based on predefined, stable, and irrevocable criteria.
- It does not encourage risk-taking and is not dependent on performance.

1.2 Variable Compensation

- Variable compensation is awarded at NBC Paris's discretion based on the individual performance of the employee, the performance of their business unit, and the overall performance of NBC Paris and the Bank.
- It reflects sustainable and risk-adjusted performance.
- When a clear distinction between fixed and variable compensation is impossible, the compensation in question is considered variable.
- It is prohibited to purchase financial instruments designed to protect individuals against a decrease in the market value of securities granted as compensation or held directly or indirectly, or to cancel such a decrease.

- Variable compensation may be clawed back by NBC Paris under specific circumstances, including:
 - The individual engaged in dishonest or unethical conduct in the course of their employment.
 - The individual failed to comply with policies, rules, or procedures during the current financial year or retroactively up to three previous financial years.
 - Financial results must be significantly revised and republished for the current or up to three previous financial years, and employee compensation was based on those results.

NBC Paris adheres to the applicable regulatory framework. As a Class 2 institution under Directive (EU) 2019/2034 and Regulation (EU) 2019/2033, it is subject to remuneration requirements defined in Articles L.533-30 to L.533-30-17 of the French Monetary and Financial Code, as well as the guidelines of the European Banking Authority, the ACPR, and the AMF.

2.0 Governance of the Compensation Policy

2.1 At the BNC Group Level

- The variable compensation program for the Financial Markets sector links organizational and individual performance to BNC Group's values.
- The Human Resources Committee ensures that the compensation policy aligns with the Bank's objectives without compromising its viability, solvency, or reputation. It also ensures compliance with applicable regulations.
- The **Risk Oversight Working Group on Compensation**, established by the Human Resources Committee, consists of three members:
 - The Executive Vice President and Chief Risk Officer,
 - The Chief Financial Officer and Executive Vice President, Finance,
 - The Executive Vice President, Employee Experience.
 - This group supports the Board of Directors, the Risk Management Committee, and the Human Resources Committee in the governance of compensation policies and programs.

2.2 At the NBC Paris Level

- **Identification of Regulated Risk-Taking Individuals:** The evaluation of individuals whose activities significantly impact NBC Paris's risk profile is based on qualitative criteria (function, influence) and quantitative criteria (total compensation level). This evaluation is conducted by the CEO, with support from the Risk, Employee Experience, and Compliance functions.
 - **The Compensation Committee consists of:**
 - Sean St-John, Chairman of the Board
 - Jean-François Tessier, Director
 - Alexandra Szekely, Independent Director
 - This committee advises the Board of Directors on the design and implementation of the compensation framework.
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3.0 Compensation of Regulated Risk-Taking Individuals

- A notification letter is sent to the individuals concerned.
- The CEO of NBC Paris also serves as the General Manager of the UK branch of the National Bank of Canada. The NBC Paris compensation policy applies only to compensation related to their role at NBC Paris.
- In 2025, four employees were identified as regulated risk-taking individuals:
 - Two based on both qualitative and quantitative criteria.
 - One based on qualitative criteria only.
 - One based on quantitative criteria only.

3.1 Compensation Principles for Regulated Risk-Taking Individuals

- Variable compensation must be aligned with long-term performance and structured over multiple years.
- If the fixed-to-variable compensation ratio exceeds 1:1, shareholder approval is required. The maximum cap is set at 1:2.
- **Minimum deferral period:** Three years. At least 40% of variable compensation must be deferred. If variable compensation exceeds €500,000, at least 60% must be deferred.
- **Instruments linked to BNC's stock price:** At least 50% of variable compensation, both deferred and non-deferred, must be awarded in instruments indexed to BNC's stock price.

3.2 Gender pay gaps

NBC Paris's remuneration policy is gender-neutral, and no gender pay gap between male and female employees of NBC Paris has been identified.

On 5 March 2026, Equileap published its global gender equality ranking, in which National Bank of Canada (the parent company) was ranked first among 3,500 companies.

[Equileap 2026 Gender Equality Report Developed Markets](#)

4.0 MRT Remuneration Data

Number of MRTs Identified	4
Executive managers	2
Oversight function	1
Financial markets	1
MRTs with variable remuneration > €500k (60% deferred)	1
MRTs with variable remuneration < €500k (40% deferred)	3
MRTs with a variable/fixed ratio >100%	3
Average % of fixed remuneration	44.3%
Average % of variable remuneration	55.7%
Average [Variable non-deferred / Total variable]	48.9%
Average [Variable deferred / Total variable]	51.1%
Average [Variable in stock-linked instruments / Total Variable]	75.6%
Average [Variable paid in cash / Total variable]	24.4%

Number of MRTs	4
Total remuneration	2,486 €
Fixed remuneration	1,101 €
Variable remuneration	1,386 €
non-deferred variable remuneration	677 €
non-deferred (in cash)	339 €
non-deferred (in stock-linked instruments)	339 €
deferred variable remuneration	708 €
deferred (in cash)	0 €
deferred (in stock-linked instruments)	708 €

Certain information relating to high-earner remuneration is not disclosed publicly, as its publication would lead to the identification of individuals in a small workforce. This information has been fully transmitted to the ACPR.