

MTS FRANCE S.A.S.

REMUNERATION POLICY

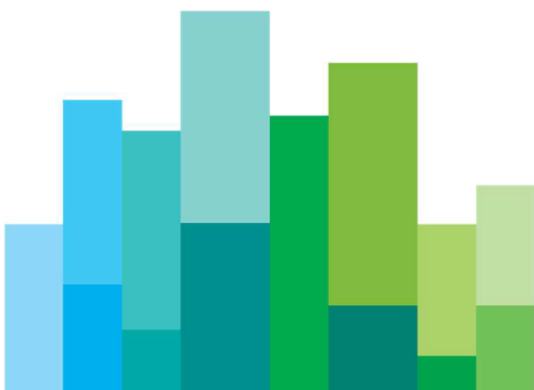
MARCH, 2022



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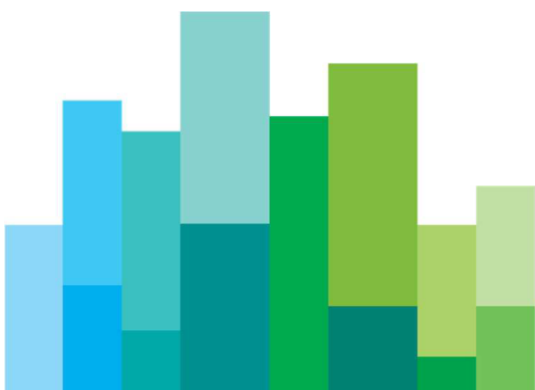
1. DOCUMENT SUMMARY



Document Summary

| Document Summary | |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Document type | Policy |
| Purpose of the document | The purpose of the Remuneration policy is to provide guidelines and internal policies related to calculation and application of the remuneration of all the employees, management, control functions and Board of Directors of MTS France S.A.S in line with shareholders' interest and business strategy |
| Classification | Internal and external |
| Executive Responsible | Board of Directors Chairman Company Executive Chairman - Angelo Proni |
| Document Owner | Head of Human Resources – Marina Famiglietti |
| Reference to related documentation | Group Remuneration Policy |
| Regulations linked to this document | The new EU Investment Firm Regulation and Directive (IFR/IFD) introduce, from June 2021, a new harmonised prudential regime impacting all investment firms authorised in the EU under MiFID. |

2. VERSION CONTROL



Version Control

This Policy will be reviewed at least once a year, for updating the necessary content related to governance and processes.

| Version | Date | Author | Approval | Change Description |
|----------------|---------------|--------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 0.6 | 25 March 2021 | Marina Famiglietti | Board of Directors | Annual review |
| 0.7 | December 2021 | Marina Famiglietti | Board of Directors | The Remuneration Policy has been revised to take into account the sale of the Borsa Italiana Group from LSEG to Euronext on the 29th April 2021. While the previous remuneration items have been mainly maintained, specific Employees shares plans were accordingly replaced by the Euronext LTI plans. |
| 0.8 | 28 March 2022 | Marina Famiglietti | Board of Directors | Annual Review |

3. CONTENTS



3.1 Principles and objectives of the Remuneration Policy

Our people and remuneration strategies aim to enable Euronext and MTS France S.a.S, (referred as “MTS France S.a.S.” or “the Company”) to attract, develop and retain talent that will ensure that we maximise long term shareholder value and support the development of capital markets and the growth of the real economy.

In particular, MTS France S.a.S. runs a specific business as an investment firm, authorized to operate a multilateral trading facility targeted at professional investors (such as primary dealers) trading all euro-denominated securities issued by the French government, with maturities ranging from 0 to 50 years, and is regulated by the Autorité des Marchés Financiers (AMF) and the Autorité de Contrôle Prudentiel et de Résolution (ACPR).

We aim to engage people over the long term by fostering diversity, providing challenging work and development opportunities, and rewarding for measurable performance. This people strategy is underpinned by our Group wide values and our overall commitment to provide sustainable growth and development for both the Company and our employees.

Our **remuneration strategy** is based on the principles of aligning remuneration arrangements with our strategic objectives, empowering employees by differentiating top performers, being economically sustainable over the time, whilst achieving simplicity and transparency in the design and communication of remuneration arrangements. The remuneration strategy and supporting policies, and how they support our overall business strategy are set out in this remuneration policy document (hereinafter “**the Remuneration Policy**”) which is **applicable as of 1st January 2022**.

This Remuneration Policy, in compliance with provisions of the European Parliament and Council Directive 2014/65/UE May 2014 (MIFID II) ¹ establishes adequate remuneration practices and describes information about the **fixed and variable elements of the remuneration of the employees of MTS France S.a.S.**, in particular working in the **Compliance functions**.

¹ Commission Delegate Regulation (EU) No. 2017/565 defined the organizational requirements and conditions for exercising the activity of investment firms concerning the MIFID II

MTS France, meeting all the conditions of Article 12(1) Regulation (EU) 2019/2033 (IFR) is qualified as a small and non-interconnected investment firms (class 3 investment firm) and as such, is not subject to the specific remuneration framework under Regulation (EU) 2019/2034 (IFD).

This Policy only applies to employees of MTS France S.a.S. and doesn't apply to employees of other entities within the Euronext Group.

The **Board of Directors** of MTS France S.a.S. is responsible for approving the Remuneration Policy, monitoring its implementation and reviewing it at least annually. Decisions will be reviewed taking into consideration recommendations from the management, in line with the Euronext Group processes, supported by Human Resources functions.

The Board of Directors ensures that the remuneration and incentive frameworks are compliant with regulatory requirements and statutory provisions and with the Group and promotes the adoption of consistent behaviours.

It also ensures the involvement of all competent functions in the process of preparing and monitoring remuneration policies and practices. It also ensures that remuneration is properly documented and accessible within the company.

Any exception to this Remuneration Policy will be approved by the Board of Directors.

3.2 Remuneration for members of the Board of Directors

Currently no Member of the board of Directors is an employee of the MTS France S.a.S.

Given the nature of the Board's responsibilities, their remuneration is not linked to Company business performance.

Independent Non-Executive members of Board of Directors are not eligible to participate in any benefits programmes offered by MTS France S.a.S. to its employees. The Company does not provide any loans to members of the Board of Directors.

The MTS France S.a.S Executive Board members employed within the Euronext Group do not receive any specific remuneration related to their role of Board member.

3.3 Remuneration for Managers and other employees

Remuneration may consist of the following components:

- 3.3.1. Annual Fixed Salary component ('AFS')
- 3.3.2. Bonus / Short Term Incentive in the form of cash reward ('STI')
- 3.3.3. Pension provisions, employee share plan and fringe benefits

The distribution of the fixed and variable remuneration to the individuals, according to the level of individual performance, is under the responsibility of the MTS France S.a.S. Company Executive Chairman.

Individual bonuses are not directly or formulaically linked to individual revenue generation or to significant interests to the detriment of customers' interests.

The weight of the fixed and variable components is properly differentiated with respect to the various categories of personnel, in order to adequately reflect the level of impact on risk and performance. An appropriate portion of the package is fixed so as not to incentivize inappropriate risk.

3.3.1 Annual Fixed Salary ('AFS')

Annual Fixed Salary is based on a combination of factors, including role, accountability, experience and overall responsibilities taking into account the individual's area of responsibility, results achieved, expertise and background and will be determined on the basis of benchmarking comparable companies in relevant markets. There is no defined maximum salary. Typically, Annual Fixed Salary will be positioned at a competitive level against external benchmark in line with the overall job responsibilities of the individual.

Annual Fixed Salary increases are solely at the company's discretion except where mandated by law and/or by the national contract, approved by the Board of Directors, upon proposal of the Company Executive Chairman, in line with the Euronext Group processes, taking into consideration the preparatory work of the Human Resources function.

3.3.2 Bonus / Short Term Incentive in the form of cash reward ('STI')

Employees may be awarded an annual Short Term Incentive, paid on a yearly basis in cash.

This Short Term Incentive is discretionary and is reassessed every year based on Company financial results, changes in the competitive landscape, personal retention objectives and individual performance and expected behaviours, in relation to predetermined objectives on a full year basis.

Short Term Incentives are therefore not part of any recurring compensation, not acquired nor payable prorata temporis, and are subject to presence in the company.

The objective of this bonus / Short Term Incentive is to ensure the achievement of operational performance targets aligned with the strategic initiatives in the shorter term.

Bonus / Short Term Incentive are approved by the Board of Directors, upon proposal of the Company Executive Chairman, in line with the Euronext Group processes, taking into consideration the preparatory work of the Human Resources function.

3.3.3 Pension provisions, employee share plan, and fringe benefits

All the employees in scope will benefit from the regular benefits package of MTS France S.a.S. and will have no specific rights compared to other employees in respect of pension benefits, employee share plans, insurance arrangements and usual fringe benefits.

The benefits provide local market competitive benefits. Benefits are reviewed periodically to ensure they remain affordable and competitive.

3.4 Employment conditions

All the employees in scope are subject to French Law and to the national collective agreement (Convention Collective Nationale des Activités de Marchés Financiers – CCNM), and entitled to the mandatory notice period in the event of severance or termination.

The potential severance payment in case of termination of employment is based on legal rules for all employees.

Where severance payments are awarded to an employee who ceases employment, the company undertakes to ensure that such termination payments shall be determined in such a way as to establish no reward for failure and compatibility with the financial situation of the company and with external best practice.

3.5 Control and reporting

Remuneration Policy and relevant decisions will be approved and annually reviewed by the MTS France S.a.S. Board of Directors meetings, in line with the Euronext Group processes, supported by Human Resources functions, and in compliance with applicable regulatory requirements.

3.6 Governance procedural aspects

3.6.1 Corporate bodies

Board of Directors remuneration

Subject to the art 11.4 of the MTS France S.a.S. By-Laws the MTS France S.a.S. Shareholders' meeting determines the individual fee for each Director, and, according to the framework of delegated powers in force within the Company, determines the remuneration of those Directors appointed to special offices or who have been entrusted with special powers with regards to the ordinary management of the Company.

Directors might renounce the membership or attendance fee related to the directorship or to specific offices. Executives are covered by the Director's and Officers' insurance and indemnification.

Chairman of the Board of Directors remuneration

The Chairman, as non Executive Director with a specific appointment, receives a chairmanship flat fee, where so decided by the Board of Directors. No provision is made for incentive linked to performance or for benefit and pension schemes. If he/she is employed in a Company owned by the Euronext Group, in agreement with the guidelines of the Group, he/she is asked to renounce the fees. The Chairman might renounce the chairmanship fee.

Company Executive Chairman remuneration

Currently the Company Executive Chairman is not an employee of the MTS France. The Chairman, as an Executive Director with a specific appointment, may receive a chairmanship flat fee, where so decided by the Board of Directors. If he/she is employed in a Company owned by the Euronext Group, in agreement with the guidelines of the Group, he/she is asked to renounce the fees.

Internal Control Functions authority

The approval process of the above-mentioned Remuneration policy requires the involvement of the Compliance function, as internal control function. It should have the appropriate authority in carrying out its activities. In particular, the Compliance function is responsible for ensuring the compliance of the remuneration policy with the relevant applicable regulation requirements and for submitting a compliance report on the Remuneration Policy to the Board of Directors.

The Compliance function, in the person of the Dirigeant Effectifs, is involved in the approval process of the Remuneration policy to provide to HR function its compliance with the relevant banking regulatory requirements.

Accordingly to the Regulation (EU) 2019/2033 (IFR) and Regulation (EU) 2019/2034 (IFD) implemented on the 26th of June 2021, as provided by the Compliance function, the compliance report on the Remuneration Policy submitted by the compliance function to the Board is not required anymore. However the Board of Directors may ask a compliance report at any time to fulfil its responsibilities.

Other Corporate Functions involved authority

The definition of the remuneration process requires also the involvement of other Corporate Functions which should have appropriate authority in carrying out their activities:

- The Human Resources Department is responsible for drawing up the remuneration policies, supporting the governance, putting forward recommendations to the Remuneration Committee on the remuneration practices, coordinating the input from the other control functions to the extent of their responsibilities, ensuring alignment among the remuneration policy and practices, the group remuneration framework and the regulatory requirements on remuneration;
- The Finance Department is responsible for ensuring alignment between the remuneration practices and the short and long term financial objectives of the company as well as the sustainability of the remuneration practices in a multi-year period. The Finance department provides to HR function the evidence in case of significant decreases in the annual verification of financial objectives.

3.6.2 Application of the Remuneration Policy

If from the annual verification of the financial objectives achievements, there is no evidence of significant decreases, MTS France S.a.S. will proceed, as usual, with the application of the Remuneration Policy.

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