

Newedge UK Financial Limited

Pillar 3 Remuneration Disclosure (2010)

Newedge UK Financial Limited was not subject to the Financial Services Authority (“FSA”) Remuneration Code during 2010. The UK entity was operating as a branch of Newedge Group SA and the Compensation Committee “CoRem” of Newedge Group SA determined Compensation Policy.

Compensation Governance: Subject to the general oversight and authority of the board of directors of Newedge Group SA (the “Board”), the Remuneration Committee (“CoRem”) is responsible for (i) drawing up and submitting to the Board the criteria for determining the compensation of the Chairman, Chief Executive Officer, and the other Executive Committee Members, (ii) advising the Board on the compensation policy of the Group, (iii) approval of bonus awards for Executive Committee Members and for management staff whose total compensation exceeds certain thresholds or whose roles require that their compensation be reviewed; (iv) approval of the recruitment of front office or support staff whose total compensation exceeds certain thresholds; (v) approval of the global bonus pool used.

The CoRem includes representatives of Société Générale and Crédit Agricole CIB, each of whom own 50% of Newedge Group SA. As of December 2010 the CoRem members (all of whom were non executive Directors of Newedge) were:

Duncan GOLDIE-MORRISON	Chairman of the Board, Newedge	Independent Director
Jean Yves HOCHER	Vice-Chairman of the Board Newedge	Chief Executive Officer of Crédit Agricole Corporate Investment Bank
Jacques RIPOLL	Vice-Chairman of the Board Newedge	Head of Global Investment Management Services and Investors Services of Société Générale

The CoRem takes full account of the firm's strategic objectives in setting remuneration policy and is mindful of its duties to shareholders and other stakeholders. The CoRem seeks to preserve shareholder value by ensuring the successful retention, recruitment and motivation of employees

During the year, the Group Chief Executive provided regular briefings to the Committee and the Committee received advice from the Newedge Group SA Human Resources Director

The CoRem has not sought to use external consultants to determine remuneration policy but CoRem members are advised by the HR Departments of the Shareholders who review information supplied by Newedge.

Based on CoRem proposals, the Newedge Group SA Board of Directors (i) sets the compensation policy and ensures that it is consistent with the risk management objectives that it requires, (ii) validates the bonus pool used to fund all support and control functions' discretionary bonus payments; (iii) validates the Chairman and CEO compensation packages

No individual is involved in decisions relating to his or her own remuneration

2010 Remuneration policies and principles : In 2010, the CoRem met 7 times and debated and validated Newedge's progress on compensation reform and implementation of the amended French Remunerations regulations CRBF n° 97-02 relating to compensation within all Newedge entities.

During 2010, a compensation reform program was implemented for front office employees to ensure that bonus payments were adjusted to reflect the Cost of Capital used.

A global bonus pool is used to fund all discretionary bonus payments for support and control functions, including the Executive Committee. The bonus pool is determined after reviewing the performance of Newedge and is approved by the CoRem and the Board of Directors each year.

Guaranteed bonuses are used sparingly, and are usually limited to exceptional new hires for a maximum of one year.

Long Term Incentives and Deferrals: Newedge did not put into place any equity based incentive plans or any other Long Term Incentives in 2010 and does not have any such incentives.

Although Newedge is not required by French regulation 97-02 to implement any deferral arrangements for bonuses but has chosen to do so. All UK employees and all Code Staff are covered by deferral plans.

Code Staff Criteria: The following groups of employees have been identified (in 2011) as meeting the FSA’s criteria for Code Staff:

Senior Managers 31

This includes all NUKFL Senior Management and the Heads of all Business Lines.

The Link between Pay and performance for Code Staff: Remuneration is made up of fixed pay (ie salary and benefits) and performance related pay which is linked to the achievement of financial and other targets.

With very limited exceptions, all Code Staff bonuses are discretionary and are paid annually.

Aggregate remuneration cost for Code Staff by Business Area

Aggregate Remuneration expenditure in 2010 for the Code Staff was as follows:

Business Lines	Management, Support and Control
£14.86m	£4.85m