

# Rothschild & Co Combined General Meeting

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16 May 2019



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Preliminary information

# Documents made available to shareholders



- 
- Prior notice of meeting published in the *Bulletin des Annonces Légales Obligatoires* on 10 April 2019
  - Notice of meeting published in a *journal d'annonces légales* and in the *Bulletin des Annonces Légales Obligatoires* on 30 April 2019 and 1<sup>st</sup> May 2019
  - Notice of Meeting
  - Copy of the convening letter sent to the shareholders on 25 April 2019
  - Copy of the letters sent to the Statutory Auditors on 30 April 2019
  - Annual report for the financial year ended 31 December 2018 including:
    - the Company financial statement and the consolidated financial statements for the financial period ended 31 December 2018,
    - the Managing Partner's Management report,
    - the Supervisory Board's report on corporate governance, and
    - the Statutory Auditor's reports on the financial statements.
  - Rothschild & Co's Articles of Association
  - Statement relating to the Company's 5 highest paid individuals
  - Proxies of the represented shareholders, voting forms by post, certificates of share ownership issued by the accredited banking and financial intermediaries
  - Attendance sheet certified by the Bureau of the General Meeting (filed before the vote of the resolutions)
  - List of registered shareholders
  - Information relating to the total voting rights and shares comprising the share capital as at the date of publication of the prior notice of meeting
  - Voting form
  - Report of the Managing Partner and report of the Supervisory Board on the draft resolutions
  - Statutory Auditors' reports



# Agenda – Combined General Meeting

## Agenda proposed by the Managing Partner

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### Ordinary resolutions

- Approval of the Company's solo and consolidated accounts for the financial year ended 31 December 2018
- Appropriation of net profit for the financial year and dividend payment
- Approval of regulated agreements
- Renewal of the terms of office of six Supervisory Board members (Ms. Angelika Gifford, Ms. Luisa Todini, Ms. Carole Piwnica and Ms. Arielle Malard de Rothschild, Messrs. Daniel Daeniker and Adam Keswick) and one non-voting member (Mr. François Henrot)
- Determination of the global amount of compensation allocated to the members of the Supervisory Board as from 1 January 2019
- Advisory opinion on the components of compensation due or granted to the Managing Partner, Rothschild & Co Gestion SAS, to the successive Executive Chairmen of the Managing Partner, Messrs David and Alexandre de Rothschild, and to the successive Chairmen of the Supervisory Board, Messrs Éric and David de Rothschild, for the financial year ended 31 December 2018
- Authorisation granted to the Managing Partner to buy back the Company's shares
- Approval of the cap on variable compensation for persons identified in accordance with Article L. 511-71 of the French Monetary and Financial Code

### Extraordinary resolutions

- Delegation of authority granted to the Managing Partner to issue shares, without preferential subscription rights, reserved for (i) the Group's employees and corporate officers and foreign subsidiaries in the context of the implementation of stock option plans or (ii) the Company's foreign subsidiaries within the framework of the deferred remuneration of their employees in Rothschild & Co shares in compliance with Directive 2013/36/EU of 26 June 2013 known as "CRD IV"
- Delegation of authority to the Managing Partner to issue ordinary shares or securities granting immediate or deferred access to the Company's share capital reserved for members of a corporate savings plan
- Aggregate limits on the amount of the issues realised pursuant to the 18th and 19th resolutions of this Combined General Meeting and 18th, 19th, 20th, 21st, 22nd, 23rd, 25th and 26th resolutions adopted at the Combined General Meeting held on 17 May 2018
- Powers for the formalities

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**Introduction**



# Key figures

As at 31 December 2018 (compared to 31 December 2017)

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## Revenue

€1,976m  
+3%

## Net profit <sup>(1)</sup>

€303m  
+23%

## EPS <sup>(1)</sup>

€4.10  
+23%

## ROTE <sup>(1) (2)</sup>

18.0%

## Dividend

€0.79  
+10%

## Number of employees

3,633  
+4%

1 Excluding exceptional items.

2 ROTE = Return on Tangible Equity

3

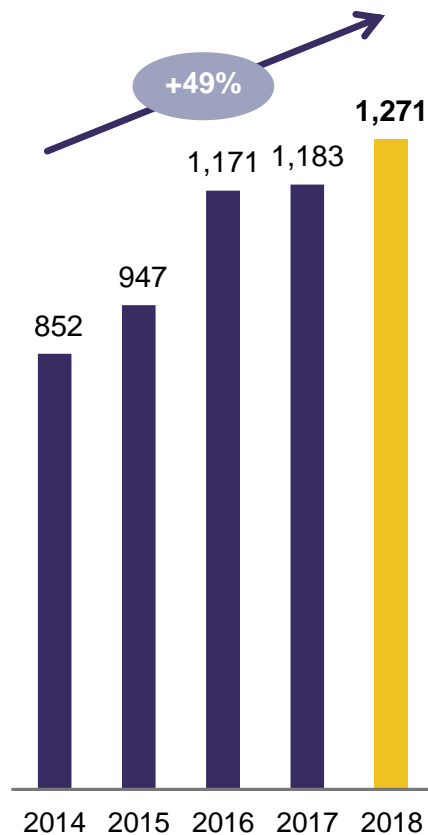
**Business review**





# Global Advisory

## Revenue



## Highlights

- Strong performance in 2018:
  - Revenue : €1,271m (+7% compared to 2017)
  - Profit before tax: €255m (+21% compared to 2017), representing an operating margin of 20%
- Strengthening our position in Europe and in the United-States.
- 1<sup>st</sup> globally and in Europe by number of completed M&A deals (Source : Refinitiv)
- 6<sup>th</sup> globally by revenue as at 31 December 2018

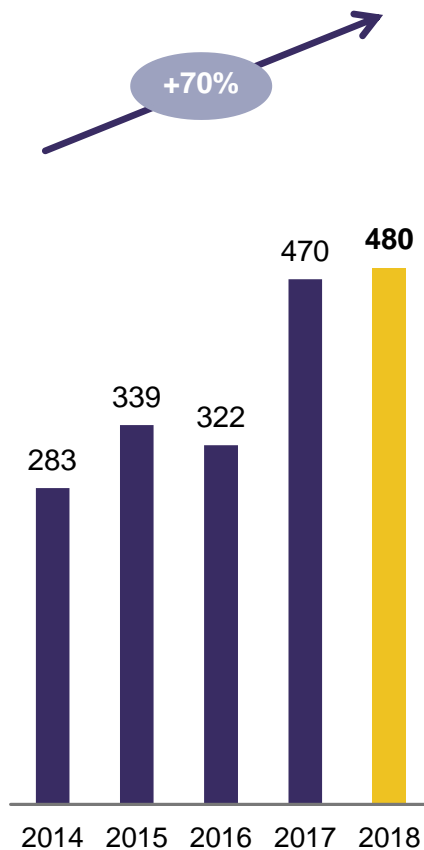
## Outlook

- Our visible pipeline of business remains healthy
- We expect current activity level to be inferior in 2019 following a record year in 2018
- Our focus remains on growing our US activity.
  - Today 38 MDs, of which 26 were hired since 2014



# Wealth & Asset Management

## Revenue



## Highlights

- Solid performance despite difficult market conditions during the last quarter of 2018
- 2018 Revenue: +2% compared to 2017 (excluding the Trust business sold during Q1 2019)
- Improvement of profit before tax: +5% compared to 2017
  - 18% margin in 2018 (versus 17% in 2017)
- Assets under Management of €65bn following
  - €1.5bn of net new asset
  - And €4.0bn of negative market effect concentrated on Q4 2019

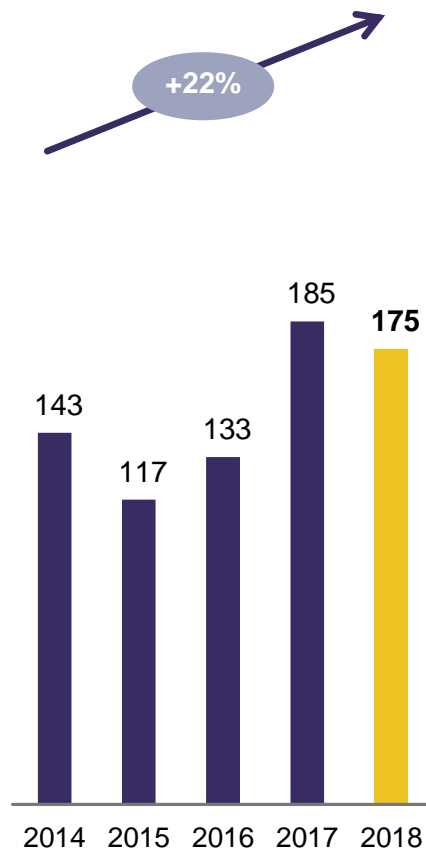
## Outlook

- Priority on:
  - Increasing net new asset
  - Maintaining the growth of Assets under Management
  - Controlling costs



# Merchant Banking

## Revenue



## Highlights

- Strong growth of the Assets under Management: +34% compared to 2018 to €11.1bn
  - Launch of the first American fund (FACP)
  - Launch of the 3<sup>rd</sup> European private equity fund
  - And fund raising in debt vehicles
- Significant contribution of this business to group profits, despite lower revenues and results in 2018
  - Sustained growth of the recurring revenue (+14%)
  - 2018 revenue: + 20% compared to the last 3 years

## Outlook

- Confident to grow Assets under Management
- Focus on the deployment of the recently launched funds
- Development of the direct lending and credit management activities



# Zoom on first quarter 2019

Revenue (in €m)				Comments
First quarter				
In € million	2019	2018	% Var	
Global Advisory	292.5	261.7	12%	<b>Global advisory</b> <ul style="list-style-type: none"> <li>– Revenue: +12% to €292 million</li> <li>– strong performance in our European M&amp;A business</li> <li>– 5<sup>th</sup> globally by revenue</li> </ul>
Wealth & Asset Management	118.5	119.7	-1%	<b>Wealth &amp; Asset Management</b> <ul style="list-style-type: none"> <li>– Strong net new assets and equity markets recovery resulted in a robust growth in Assets under Management, up 7% from December 2018</li> <li>– Revenue: -1% to €118 million</li> </ul>
Merchant Banking	24.1	25.2	-4%	<b>Merchant Banking</b> <ul style="list-style-type: none"> <li>– Revenue: -4% to €24 million but up 28% when compared to the average first quarter revenue for the previous three years</li> </ul>
Other businesses	9.8	17.0	-42%	
IFRS Reconciliation	(1.0)	(3.6)	-72%	
<b>Total Group revenue</b>	<b>443.9</b>	<b>420.0</b>	<b>6%</b>	

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## Corporate social and environmental responsibility



# Corporate social and environmental responsibility

<b>People</b>	<b>We are committed to the development and retention of a world-class team</b>	<ul style="list-style-type: none"><li>● 3,600 employees across the world of which more than 40% are female</li><li>● An inclusive culture in which diversity is valued</li><li>● A focus on well-being and a healthy and safe working environment</li></ul>
<b>Environment</b>	<b>We are committed to managing and taking action to reduce our negative environmental impact</b>	<ul style="list-style-type: none"><li>● The majority of our offices have Environment Advocate representation</li><li>● Several programmes have been implemented</li><li>● The Group supports 6 United Nations Sustainable Development Goals</li></ul>
<b>Community investment</b>	<b>We are committed to helping socio-economically disadvantaged young people</b>	<ul style="list-style-type: none"><li>● We engage in long-term partnerships with charities to support the future prospects of disadvantaged young people.</li><li>● In 2018, we helped more than 50 charities that have an impact on 2,000 disadvantaged young people</li></ul>

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2018 Financial accounts



# Summary statutory consolidated P&L

(in €m)	2018	2017	Var	Var %
<b>Revenue</b>	<b>1,976</b>	<b>1,910</b>	<b>66</b>	<b>3%</b>
Staff costs	(1,098)	(1,087)	(11)	(1)%
Administrative expenses	(309)	(320)	11	3%
Depreciation and amortisation	(30)	(34)	4	12%
Impairments	(4)	(13)	9	69%
<b>Operating Income</b>	<b>535</b>	<b>456</b>	<b>79</b>	<b>17%</b>
Other income / (expense) (net)	(4)	21	(25)	(119)%
<b>Profit before tax</b>	<b>531</b>	<b>477</b>	<b>54</b>	<b>11%</b>
Income tax	(77)	(65)	(12)	(18)%
<b>Consolidated net income</b>	<b>454</b>	<b>412</b>	<b>42</b>	<b>10%</b>
Non-controlling interests	(168)	(176)	8	5%
<b>Net income - Group share</b>	<b>286</b>	<b>236</b>	<b>50</b>	<b>21%</b>
Exceptionals	(17)	(11)	(6)	55%
<b>Net income - Group share excl. exceptionals</b>	<b>303</b>	<b>247</b>	<b>56</b>	<b>23%</b>
<i>Earnings per share</i>	<i>3.88 €</i>	<i>3.18 €</i>	<i>0.70 €</i>	<i>22%</i>
<b>EPS excl. exceptionals</b>	<b>4.10 €</b>	<b>3.33 €</b>	<b>0.77 €</b>	<b>23%</b>
<i>Return On Tangible Equity (ROTE)</i>	<i>17.0%</i>	<i>16.4%</i>		
<b>ROTE excl. exceptionals</b>	<b>18.0%</b>	<b>17.2%</b>		



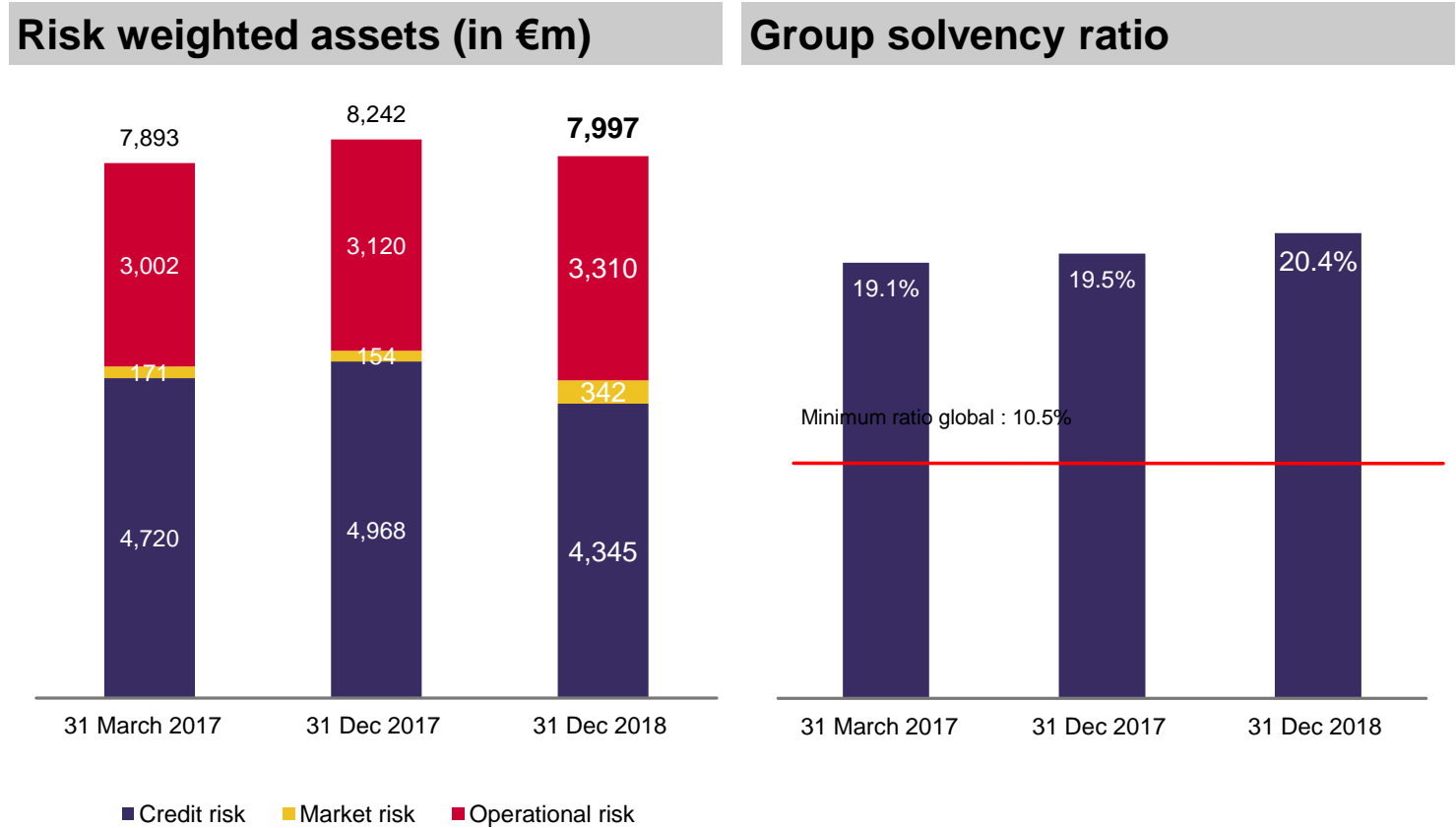


# Summary Balance sheet

<i>(in €bn)</i>	31/12/2018	31/12/2017	Var
Cash and amounts due from central banks	4.7	3.9	0.8
Loans and advances to banks	2.0	1.7	0.3
Loans and advances to customers	2.9	3.0	(0.1)
<i>of which Private client lending</i>	2.5	2.4	0.1
Debt and equity securities	2.1	2.1	0.0
Other assets	1.5	1.4	0.1
<b>Total assets</b>	<b>13.2</b>	<b>12.1</b>	<b>1.1</b>
Due to customers	8.7	7.8	0.9
Other liabilities	2.0	1.9	0.1
Shareholders' equity - Group share	2.0	1.9	0.1
Non-controlling interests	0.5	0.5	0.0
<b>Total capital and liabilities</b>	<b>13.2</b>	<b>12.1</b>	<b>1.1</b>



# Solvency ratios



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## Statutory Auditors' Reports



# Report on the financial statements

As of 19 March 2019

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<p><b>Opinion on the financial statements</b></p>	<ul style="list-style-type: none"> <li>• Unqualified opinion</li> </ul>
<p><b>Justification of assessments – Key audit matters</b></p>	<ul style="list-style-type: none"> <li>• <b>Key audit matters</b> The “Impairment of investments in Group, other companies and portfolio holdings” has been reported as a key audit matter.</li> </ul>
<p><b>Verification of the Management report and of the other documents provided to Shareholders</b></p>	<ul style="list-style-type: none"> <li>• We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Managing partner and in the other documents provided to Shareholders with respect to the financial position and the financial statements.</li> <li>• We certify that the report of the Supervisory Board on corporate governance contains the information required by Articles L.225-37-3 and L.225-37-4 of the French code de commerce.</li> </ul>

*Report on the financial statements :  
Pages 219 to 221,  
Annual Report 2018*



# Report on the consolidated financial statements

As of 19 March 2019

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<p><b>Opinion on the consolidated financial statements</b></p>	<ul style="list-style-type: none"> <li>• Unqualified opinion</li> </ul>
<p><b>Justification of assessments – Key audit matters</b></p>	<ul style="list-style-type: none"> <li>• <b>Key audit matters</b> The following items have been reported as Key audit matters in the context of the audit of the consolidated financial statements :             <ul style="list-style-type: none"> <li>– First time application of IFRS 9</li> <li>– Valuation of financial instruments carried at Fair Value through P &amp; L</li> <li>– Provision for claims and litigation</li> <li>– Revenue recognition for Advisory work and other services</li> </ul> </li> </ul>
<p><b>Verification of the Information pertaining to the Group Presented in Management Report.</b></p>	<ul style="list-style-type: none"> <li>• We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.</li> </ul>

*Report on the consolidated financial statements : pages 202 to 205, Annual Report 2018*



# Report on regulated agreements and commitments

As of 19 March 2019

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## Agreements and commitments subject to the approval of the Shareholders' Meeting

We have been informed of the following new agreement signed during the year which has been approved by the Supervisory Board of Rothschild & Co :

- Financial advisory agreement with Rothschild & Cie SCS for the assistance provided to Rothschild & Co in the preparation of the agreements between the Rothschild & Co and Edmond de Rothschild groups on the use of their respective brands and the unwinding of cross-shareholdings.

## Agreements and commitments already approved by the Shareholders' Meeting

We were not informed of any agreement or commitment already approved by the shareholders' meeting of prior years, which has remained in force during the period.

*Report on regulated agreements and commitments :  
Page 31, General Meeting 2018*



# Reports with respect to the Extraordinary resolutions

As of 15 April 2019

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## Share capital increase without preferential subscription rights (18<sup>th</sup> and 20<sup>th</sup> resolutions)

We have reviewed the content of the Managing Partner's report on this transaction and the methods used to determine the issue price of the shares or other securities granting access to the share capital.

Subject to a subsequent review of the terms and conditions of the proposed share capital increase, we have no comment to make on the method used to determine the issue price of the ordinary shares or other securities granting access to the capital to be issued, as set forth in the Managing Partner's report.

Since the final terms and conditions of the share capital increase have not been set, we do not express an opinion on them, nor on the proposed waiver of the preferential subscription rights submitted for your approval.

In accordance with article R. 225-116 of the French Commercial Code (Code de Commerce), we will issue a supplementary report if and when your Managing Partner makes use of this authority.

*Report on the 18<sup>th</sup> and 20<sup>th</sup> resolutions : pages 20 and 22, General Meeting 2018*

## Share capital increase reserved for members of corporate savings plan (19<sup>th</sup> and 20<sup>th</sup> resolutions)

We have reviewed the content of the Managing Partner's report on this transaction and the methods used to determine the issue price of the shares or other securities granting access to the share capital.

Subject to a subsequent review of the terms and conditions of the proposed share capital increase, we have no comment to make on the method used to determine the issue price of the ordinary shares or other securities granting access to the capital to be issued, as set forth in the Managing Partner's report.

Since the final terms and conditions of the share capital increase have not been set, we do not express an opinion on them, nor on the proposed waiver of the preferential subscription rights submitted for your approval.

In accordance with article R. 225-116 of the French Commercial Code (Code de Commerce), we will issue a supplementary report if and when your Managing Partner makes use of this authority.

*Report on the 19<sup>th</sup> and 20<sup>th</sup> resolutions : pages 21 et 22 General Meeting 2018*

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**Corporate Governance**





# Rothschild & Co Gestion – Managing Partner (Gérant) and Group Executive Committee





# 7.1 Supervisory Board and its specialised Committees

The Supervisory Board exercises permanent oversight of the management of the Company, including in particular the Company's financial accounting reporting system and its internal control mechanism. This one relies on three specialised committees: the Audit Committee, the Remuneration and Nomination Committee and the Risk Committee.

## 14 members

	Supervisory Board		Specialised Committees		
			Audit Committee	Remuneration and Nomination Committee	Risk Committee
David de Rothschild	■	■			
Eric de Rothschild	■	■			
Adam Keswick	■	■			
Dr. Daniel Daeniker		■			■
Angelika Gifford		■			■
Sylvain Héfès		■	■	■	■
Suet-Fern Lee		■	■		
Arielle Malard de Rothschild		■			■
Lucie Maurel-Aubert		■			
Carole Piwnica		■		■	
Anthony de Rothschild		■			
Sipko Schat		■			■
Peter Smith		■	■	■	■
Luisa Todini		■		■	
François Henrot		■			

■ Chairman ■ Vice-Chairman ■ Independent member ■ Non-Independent member ■ Non-voting member

**50% independent members**

Compliant with the recommendations of the Afep-Medef Code, at least 33, 1/3% of independent members is required within controlled companies

(1) Subject to the adoption of the 5<sup>th</sup> to 11<sup>th</sup> resolutions proposed by the Managing Partner and the decisions of the Supervisory Board regarding its composition.



# Activity of the Supervisory Board and its specialised committees during the 2018 Financial Year

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## Supervisory Board and its specialised committees

During the 2018 Financial year:

- The Supervisory Board: 7 meetings, 90% of attendance rate
- The Audit Committee: 5 meetings, 90% of attendance rate
- The Remuneration and Nomination Committee: 5 meetings, 75% of attendance rate
- The Risk Committee: 4 meetings, 94% of attendance rate

The duties, the organisation, the operation and the review of the activity of the Supervisory Board and its specialised committees are summarised in the Supervisory Board's report on corporate governance on pages 93 onwards of the Annual Report.

The information regarding the individual attendance rates of the members of the Supervisory Board is available on page 91 and onwards, pursuant to the recommendation n°10.1 of the Afep-Medef



# Remuneration policy

## Supervisory Board and its specialised committees

- Total amount of compensation to the Supervisory Board members paid during the 2018 financial year: €460,000
- The breakdown of compensation received by the members of the Supervisory Board (in position during the financial year) in respect of their positions held at Rothschild & Co and at any other Group company is set out in the Supervisory Board's report on corporate governance on page 104 of the Annual Report.
- Implementation of a new remuneration policy as of 1<sup>st</sup> January 2019: variable compensation determined according to the effective presence of the remuneration of the Board and its specialised committees.

## Managing Partner

- The Managing Partner does not perceive any compensation but is entitled to the reimbursement of its operating expenses such as statutory auditors' fees and the remuneration of its legal representatives: €1,197,971.18 (2018 financial period) and €777,000 (2017 nine-months financial period).
- In their quality of General Partners, the Managing Partner and the 2<sup>nd</sup> General Partner share (50/50) a profit share (*dividende précipitaire*) equal to 0.5% of the distributable profit for the year: €1,343,919 for the 2018 financial year and €1,157,078 for the 2017 nine-months financial year.

## Say-on-Pay

- Rothschild & Co proposes to shareholders an "ex-post" vote on the remuneration elements to be distributed for the 2018 financial year (recommendation n°24.1.3 of the Afep-Medef Code) to:
- Rothschild & Co Gestion : no remuneration
  - the executive corporate officers of the Managing Partner which were in office during the 2018 financial year, namely David de Rothschild (1<sup>st</sup> January to 17 May 2018), and Alexandre de Rothschild (17 May to 31 December 2018);
  - the Chairmen of the Supervisory Board which were in office during the 2018 financial year, namely Éric de Rothschild (1<sup>st</sup> January to 17 May 2018), and David de Rothschild (17 May to 31 December 2018).
  - The detailed information on these compensations is given in the annual report on pages 101 to 104 and the Combined General Meeting document on pages 11 to 15.



# Supervisory Board Members whose re-election is proposed by the Managing Partner

	<b>Angelika Gifford</b>	<b>Luisa Todini</b>	<b>Carole Piwnica</b>
	Re-election – Independent member of the Supervisory Board since 2014 <b>(5<sup>th</sup> resolution)</b>	Re-election – Independent member of the Supervisory Board since 2014 <b>(6<sup>th</sup> resolution)</b>	Re-election – Independent member of the Supervisory Board since 2014 <b>(7<sup>th</sup> resolution)</b>
<b>Date of birth</b>	<ul style="list-style-type: none"> <li>Born in 1965</li> </ul>	<ul style="list-style-type: none"> <li>Born in 1966</li> </ul>	<ul style="list-style-type: none"> <li>Born in 1958</li> </ul>
<b>Nationality</b>	<ul style="list-style-type: none"> <li>German</li> </ul>	<ul style="list-style-type: none"> <li>Italian</li> </ul>	<ul style="list-style-type: none"> <li>Belgian</li> </ul>
<b>Shares R&amp;Co held</b>	<ul style="list-style-type: none"> <li>10 as at 31 December 2018</li> </ul>	<ul style="list-style-type: none"> <li>10 at 31 December 2018</li> </ul>	<ul style="list-style-type: none"> <li>10 as at 31 December 2018</li> </ul>
<b>Term of the office</b>	<ul style="list-style-type: none"> <li>3 years</li> </ul>	<ul style="list-style-type: none"> <li>3 years</li> </ul>	<ul style="list-style-type: none"> <li>3 years</li> </ul>
<b>Other directorships and positions held within Rothschild &amp; Co</b>	<ul style="list-style-type: none"> <li>Member of the Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Remuneration and Nomination Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Remuneration and Nomination Committee</li> </ul>
<b>Positions held and main directorships outside Rothschild &amp; Co</b>	<ul style="list-style-type: none"> <li>Member of multiple corporate boards and Technology Executive</li> </ul>	<ul style="list-style-type: none"> <li>Chairwoman of Green Arrow Capital SGR (Italy)</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Board of Directors of Naxos UK Ltd (United Kingdom)</li> </ul>



# Supervisory Board Members whose re-election is proposed by the Managing Partner

	<b>Arielle Malard de Rothschild</b>	<b>Daniel Daeniker</b>	<b>Adam Keswick</b>
	Re-election – Member of the Supervisory Board since 2014 <b>(8<sup>th</sup> resolution)</b>	Re-election – Independent member of the Supervisory Board since 2014 <b>(9<sup>th</sup> resolution)</b>	Re-election – Independent member of the Supervisory Board since 2016 and Vice-Chairman since 2018. <b>(10<sup>th</sup> resolution)</b>
<b>Date of birth</b>	<ul style="list-style-type: none"> <li>Born in 1963</li> </ul>	<ul style="list-style-type: none"> <li>Born in 1963</li> </ul>	<ul style="list-style-type: none"> <li>Born in 1973</li> </ul>
<b>Nationality</b>	<ul style="list-style-type: none"> <li>French</li> </ul>	<ul style="list-style-type: none"> <li>Swiss</li> </ul>	<ul style="list-style-type: none"> <li>British</li> </ul>
<b>Shares R&amp;Co held</b>	<ul style="list-style-type: none"> <li>10 as at 31 December 2018</li> </ul>	<ul style="list-style-type: none"> <li>2,010 as at 31 December 2018</li> </ul>	<ul style="list-style-type: none"> <li>10 as at 31 December 2018</li> </ul>
<b>Term of the office</b>	<ul style="list-style-type: none"> <li>3 years</li> </ul>	<ul style="list-style-type: none"> <li>3 years</li> </ul>	<ul style="list-style-type: none"> <li>2 years</li> </ul>
<b>Other directorships and positions held within Rothschild &amp; Co</b>	<ul style="list-style-type: none"> <li>Member of the Risk Committee</li> <li>Member of the Steering Committee on Women Leadership</li> <li>Member of the new Client Acceptance Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
<b>Positions held and main directorships outside Rothschild &amp; Co</b>	<ul style="list-style-type: none"> <li>Managing Director of Rothschild &amp; Cie SCS</li> </ul>	<ul style="list-style-type: none"> <li>Managing Partner of the law firm Homburger AG (Switzerland)</li> </ul>	<ul style="list-style-type: none"> <li>Chairman of Matheson &amp; Co Limited (United Kingdom)</li> </ul>

# Non-voting member of Supervisory Board whose re-election is proposed by the Managing Partner

## François Henrot

Re-election proposed by the Managing Partner  
(11<sup>th</sup> resolution)

**Date of birth** ● Born in 1949

**Nationality** ● French

**Shares R&Co held** ● 476,260 as at 31 December 2018

**Term of the office** ● 1 year

**Other directorships and positions held within Rothschild & Co** ● None

**Positions held and main directorships outside Rothschild & Co** ● General Partner and Manager of Rothschild & Cie SCS (through his holding EURL FH GFA)

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Q&A



# 9

**Presentation and vote of the 21 resolutions  
submitted by the Managing Partner**





## 4<sup>th</sup> resolution

Approval of regulated agreements and commitments, in accordance with the provisions of articles L. 226-10 and L. 225-38 et seq. of the French Commercial Code

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### 4<sup>th</sup> resolution

#### **Approval of a financial advisory agreement with Rothschild & Cie SCS**

- Financial advisory agreement between the Rothschild & Co and Edmond de Rothschild groups on the use of their respective brands and the unwinding of cross-shareholdings
- Before the completion of the transaction, it was authorised by the Supervisory Board in its meeting of 28 June 2018



# 5<sup>th</sup> to 11<sup>th</sup> resolutions (1/3)

## Appointment/re-election of Supervisory Board Members

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<b>5<sup>th</sup> resolution</b>	<p><b>Renewal of the appointment of Ms. Angelika Gifford as a member of the Supervisory Board</b></p> <ul style="list-style-type: none"><li>• Term of office: <b>3 years</b></li><li>• Term of office will expire at the end of the General Meeting of shareholders which shall approve the accounts for the financial year ending 31 December 2021</li></ul>
<b>6<sup>th</sup> resolution</b>	<p><b>Renewal of the appointment of Ms. Luisa Todini as a member of the Supervisory Board</b></p> <ul style="list-style-type: none"><li>• Term of office: <b>3 years</b></li><li>• Term of office will expire at the end of the General Meeting of shareholders which shall approve the accounts for the financial year ending 31 December 2021</li></ul>
<b>7<sup>th</sup> resolution</b>	<p><b>Renewal of the appointment of Ms. Carole Piwnica as a member of the Supervisory Board</b></p> <ul style="list-style-type: none"><li>• Term of office: <b>3 years</b></li><li>• Term of office will expire at the end of the General Meeting of shareholders which shall approve the accounts for the financial year ending 31 December 2021</li></ul>

*5<sup>th</sup> to 11<sup>th</sup> resolutions: resolutions submitted in accordance with the recommendations of the Afep-Medef Code, which recommends staggering the terms of office in order to avoid a group renewal of the Board and to ensure that the reappointment process operates smoothly*



## 5<sup>th</sup> to 11<sup>th</sup> resolutions (2/3)

### Appointment/re-election of Supervisory Board Members

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<b>8<sup>th</sup> resolution</b>	<p><b>Renewal of the appointment of Ms. Arielle Malard de Rothschild as a member of the Supervisory Board</b></p> <ul style="list-style-type: none"><li>• Term of office: <b>3 years</b></li><li>• Term of office will expire at the end of the General Meeting of shareholders which shall approve the accounts for the financial year ending 31 December 2021</li></ul>
<b>9<sup>th</sup> resolution</b>	<p><b>Renewal of the appointment of Mr. Daniel Daeniker as a member of the Supervisory Board</b></p> <ul style="list-style-type: none"><li>• Term of office: <b>3 years</b></li><li>• Term of office will expire at the end of the General Meeting of shareholders which shall approve the accounts for the financial year ending 31 December 2021</li></ul>
<b>10<sup>th</sup> resolution</b>	<p><b>Renewal of the appointment of Mr. Adam Keswick as a member of the Supervisory Board</b></p> <ul style="list-style-type: none"><li>• Term of office: <b>2 years</b></li><li>• Term of office will expire at the end of the General Meeting of shareholders which shall approve the accounts for the financial year ending 31 December 2020</li></ul>



## 5<sup>th</sup> to 11<sup>th</sup> resolutions (3/3)

### Appointment/re-election of Supervisory Board Members

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#### 11<sup>th</sup> resolution

#### **Renewal of the appointment of Mr. François Henrot as a non-voting member (censeur) of the Supervisory Board**

- Term of office: **1 year**
- Term of office will expire at the end of the General Meeting of shareholders which shall approve the accounts for the financial year ending 31 December 2019



# 12<sup>th</sup> resolution

## Determination of the global amount of compensation allocated to the members of the Supervisory Board as from the financial year started 1<sup>st</sup> January 2019

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### 12<sup>th</sup> resolution

#### **Determination of the global amount of compensation allocated to the members of the Supervisory Board as from the financial year started 1<sup>st</sup> January 2019**

- Fix the maximal aggregate amount of the remunerations allocated to the members of the Supervisory Board until further decision to a total of €600,000, all or some of which shall be freely distributed by the Supervisory Board between its members
- p. 103 of the Annual Report 2018 and p. 30 of the General Meeting Document



# 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> resolutions

Advisory opinion on the components of compensation due or granted to the directors for the financial period ended 31 December 2018

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## 13<sup>th</sup> resolution

**Advisory opinion on the components of compensation due or granted to the Managing Partner, Rothschild & Co Gestion SAS, for the financial period ended 31 December 2018**

- No compensation
- p.101 of the Annual Report 2018 and p.11 of the General Meeting Document

## 14<sup>th</sup> resolution

**Advisory opinion on the components of compensation due or granted to the Executive Chairmen of Rothschild & Co Gestion SAS, Messrs. David and Alexandre de Rothschild, for the financial period ended 31 December 2018**

- Annual fixed compensation:  
Mr. David de Rothschild : €189,583 (for the period from 1<sup>st</sup> January 2018 to 17 May 2018)  
Mr. Alexandre de Rothschild: €311,828 (for the period from 17 May 2018 to 31 December 2018)
- p.101 of the Annual Report 2018 and p.11 of the General Meeting Document

## 15<sup>th</sup> resolution

**Advisory opinion on the components of compensation due or granted to the Chairmen of the Supervisory Board, Messrs. Éric and David de Rothschild, for the financial period ended 31 December 2018**

- Annual fixed compensation:  
Mr. Éric de Rothschild: No compensation (for the period from 1<sup>st</sup> January 2018 to 17 May 2018)  
Mr. David de Rothschild: €97,000 (for the period from 17 May 2018 to 31 December 2018)
- p.101 of the Annual Report 2018 and p.11 of the General Meeting Document





# 16<sup>th</sup> resolution

## Authorisation granted to the Managing Partner to buy back its own shares

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### 16<sup>th</sup> resolution

#### Authorisation granted to the Managing Partner to buy back the Company's shares

- Shares could be purchased, sold or transferred for the following purposes :
  - their cancellation through a reduction of the share capital;
  - their transfer, in the context of employee shareholding operations, grant of bonus shares to employees and corporate officers of the Group or shares delivered upon the exercise, by their beneficiaries, of the Company's share options;
  - the promotion of a secondary market or the liquidity of the Company's shares under a liquidity contract entered into with an independent investment service provider in accordance with the conditions defined by the French Financial Markets Authority (*Autorité des Marchés Financiers*);
  - preservation or subsequent tendering by way of payment or exchange as part of external growth transactions; and
  - more generally, any other purpose consistent – or to become consistent – with applicable laws and regulations and in particular any other practice admitted or recognised – or to become admitted or recognised – by law or the French Financial Markets Authority.
- Maximum purchase price: **€50**
- Maximum number of shares purchased by the Company during the term of the buyback programme: **10% of the share capital**
- Maximum amount of the share buyback programme: **€387,563,850**
- Term of the authorisation: **18 months** as from the date of the Combined General Meeting



# 17<sup>th</sup> resolution

## Approval of the cap on variable compensation for regulated persons

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### 17<sup>th</sup> resolution

#### Approval of the cap on variable compensation for persons identified in accordance with Article L. 511-71 of the French Monetary and Financial Code

- **Setting of a cap on the variable component of the compensation for the 135 staff identified as Material Risk Takers in accordance with the EBA Regulatory Technical Standards**, as well as any employee, given its total compensation, who is in the same compensation bracket **whose professional activities have a material impact on the risk profile of Rothschild & Co or the Rothschild & Co Group**
- Comprising a “**governance**” component that strictly regulates remuneration policies in order to avoid potential excessive risk-taking (in accordance with the **European Directive 2013/36/EU of 26 June 2013** known as “**CRD IV**” concerning access to the activity and prudential supervision of credit institutions)
- The **variable component should not exceed 100%** of the fixed component of the total compensation for each individual concerned (transcribed into **Article L. 511-78 of the French Monetary and Financial Code**).
- **Setting of a higher maximum ratio** in so far as the overall level of the variable portion does not exceed **200%** of the fixed component of total compensation for each person concerned from the 2019 financial year.
- **Purposes** of the setting of such cap:
  - to safeguard the competitiveness of compensation of employees having essential skills and/or achieving exceptional performance, in the context of controlled risk management of Rothschild & Co Group;
  - to avoid the Group facing a situation of significant competitive distortion;
  - to give the required flexibility between the variable compensation and observed performance;
  - to recruit and retain the concerned persons by offering them compensation in line with competitors’ practices.
- This approach is in line with the position adopted by other European banks of a similar size and scope of activity.



# 18<sup>th</sup> to 20<sup>th</sup> resolutions (1/2)

## Renewal of the authorisations and delegations of authority

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### 18<sup>th</sup> resolution

**Delegation of authority granted to the Managing Partner to issue shares, without preferential subscription rights, (i) in the context of the implementation of stock option plans or (ii) within the framework of the deferred remuneration of their employees in Rothschild & Co shares in compliance with European Directive “CRD IV”**

- Purpose: Specific delegation of authority to the Managing Partner allowing the Managing Partner to carry out share capital increases reserved **for employees and corporate officers of Rothschild & Co Group and its subsidiaries** in order:
  - **to set up stock option plans** similar to the two existing plans, **by requiring the beneficiaries of the options to acquire Rothschild & Co shares before they are granted options and to ensure a convergence of interests** between the beneficiaries of the stock option plans, the Rothschild family and the non-controlling shareholders; or
  - **to set up the ability to grant shares to employees whom variable component of the compensation is governed by legal provisions of the European Directive 2013/36/EU of 26 June 2013 known as “CRD IV”** concerning access to the activity and prudential supervision of credit institutions
- Limit: **2% of the share capital**
- Subscription price:
  - price **to be determined by the Managing Partner**
  - **not be less than 95% of the average share price quoted on the 20 trading days** preceding the opening date of the subscription period or the date of the decision by the Managing Partner setting the opening date of the subscription period
- Period of validity: **18 months** as from the date of the General Meeting



# 18<sup>th</sup> to 20<sup>th</sup> resolutions (2/2)

## Renewal of the authorisations and delegations of authority

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### 19<sup>th</sup> resolution

#### **Delegation of authority to the Managing Partner to issue ordinary shares and/or securities giving access to the Company's share capital with preferential subscription rights maintained**

- Limit: **€1m** for share capital securities
- Conditions: free fixation of the issue price by the Managing Partner
- Period of validity: **26 months** as from the date of the Combined General Meeting

### 20<sup>th</sup> resolution

#### **Aggregate limit of the amount of the issues realised pursuant to the financial delegations**

- Purpose:
  - **Definition of an overall maximum nominal amount of increases of share capital** that may be carried out, immediately or in the future, **under the 18th and 19th of this Combined General Meeting and 18th, 19th, 20th, 21st, 22nd, 23rd, 25th and 26<sup>th</sup> resolutions adopted at the Combined General Meeting held on 17 May 2018 at €70m**, the said amount may be increased, where applicable, by the nominal amount of the increase of share capital resulting from the issue of additional shares to protect the rights of holders of securities carrying an entitlement to the Company's shares;



# 21<sup>th</sup> resolution

## Powers for the formalities

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### 21<sup>th</sup> resolution

#### **Powers for the formalities**

- Powers to carry out publications and legal formalities

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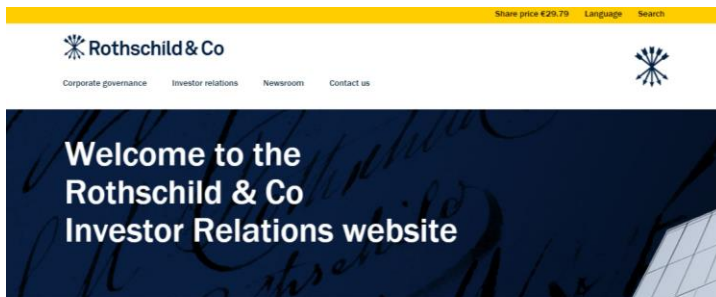
**Any other business**



# Shareholders communication

## Website

[www.rothschildandco.com](http://www.rothschildandco.com)



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Our integrated global network of trusted professionals and decision makers around the world provide in-depth market intelligence, meaning we can be closer to current issues than any other global financial institution in our core markets.

It is this scale, local knowledge and intellectual capital that allow us to provide a distinct perspective and effective long-term solutions for our partners.



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