FUND CHANNEL REMUNERATION POLICY 2022

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FUND CHANNEL REMUNERATION POLICY 2022

The Company is an investment firm incorporated in Luxembourg, approved as a Professional of the Financial Sector ("PSF") and subject to the prudential supervision of the Commission de Surveillance du Secteur Financier ("CSSF", the Luxembourg financial regulator) for the following activities:

- investment advisory,
- distribution of units of undertakings for collective investment ("UCI") including the ability to accept and make the corresponding payments,
- brokerage of financial instruments, principal agents, ancillary services (custody and administration of financial instruments on behalf of clients), registrar,
- financial sector administrative agent, client communications agent.

In practice, the Company only provides the service of distribution of UCI units.

The risks related to the Company's business are therefore limited to fraud risks or limited operational risks (in most cases, the Company only pays the distributor when it has been paid investment commissions from the promoters) and under no circumstances is it exposed to market risks or credit risks.

The risk inherent in the marketing of the Company's services is limited to non-compliance risks for new and existing clients. The acceptance of new clients is subject to a special committee, which includes the Managing Director, the Company Secretary and the Chief Executive Officer of Fund Channel (Suisse) SA. With the exception of false or erroneous information, the liability of sales representatives can therefore be excluded at this level. The names of employees in the same pay bracket as management will be mentioned in the list drawn up by the Board of Directors each year. The validation of new client pricing or modification of existing client pricing is subject to approval by the Managing Director or CEO of Fund Channel (Suisse) SA.

In addition, for both existing and new clients, the "Know Your Client" ("KYC") procedure is validated by the Chief Compliance Officer: with the exception of false or erroneous information, it is therefore to be considered that the liability of sales representatives is excluded for this KYC section.

The Chief Risk Officer and Chief Information Security Officer (CISO) functions are assigned by name to senior management of the entity. With the exception of fraud cases, employee risk-taking is not a factor likely to increase the Company's risk profiles.

SOMMAIRE

I. GENERAL PROVISIONS

The remuneration policy is established to attract, retain and motivate highly qualified employees in their areas of expertise. It promotes sound risk management and is aligned with the economic strategy and long-term objectives, values and interests of the Company and its investment funds under management, as well as those of the investors.

It is based on the principle that the individual remuneration of employees must be compatible with the risk profile related to their job and does not encourage excessive risk taking. It reflects the local implementation of the principles of the remuneration policy of the Amundi Group (hereinafter "Amundi") as well as the local regulatory requirements.

The Global Group Policy is reviewed annually by the Amundi Remuneration Committee, chaired by an independent non-executive Director and composed of members who are either independent or not exercising any executive function at Amundi. The Global Group Policy applies to all Group entities in Europe and Asia.

The Company's remuneration policy is aligned with Amundi's corporate strategy, its objectives, values and long-term interests, such as the prospects for sustainable growth, and complies with the principles governing the protection of its clients and investors.

This remuneration policy has several objectives:

- it enables and promotes sound and effective risk management without encouraging unjustified risk-taking and in line with performance;
- it includes measures to avoid conflicts of interest;
- it defines the rules of fixed and variable remuneration based on the regulatory principles;
- it requires that, when determining variable remuneration, the combination of the assessment of individual performance, the general economic situation of the Company and the results of the Group be taken into account. The assessment of individual performance is based on quantitative (financial) and qualitative (non-financial) criteria;
- it provides for a structured remuneration system;
- it integrates the remuneration policy into the Group's financial risk management while encouraging the relevant staff to promote the sustainable success and stability of the Group.
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The remuneration policy aims to reward equal performance, without discrimination, regardless of employee characteristics such as gender, race, marital status, as defined in applicable local regulations. In particular, the remuneration policy is gender neutral, that is, based on the principle of equal pay between male and female workers for the same work or work of equal value.

This remuneration policy is designed in accordance with the European and national rules on remuneration and governance, and in particular in accordance with the provisions, inter alia, of:

- The Law on the Financial Sector (LSF) of 5 April 1993 as amended and transposing Directive 2013/36/EU CRD IV;
- CSSF Circular 07/290 on the definition of capital ratios;
- CSSF Circular 10/437 which sets out guidelines for remuneration policies in the financial sector;
- CSSF Circular 10/497 on the prudential supervision of remuneration policies;
- CSSF Circular 11/505 which clarifies the application of the principle of proportionality in the establishment and implementation of remuneration policies;

- Circular 17/658 on the adoption of the European Banking Authority’s guidelines on sound remuneration policies, under Articles 74(3) and 75(2) of Directive 2013/36/EU, and disclosure of information under Article 450 of Regulation (EU) No 575/2013 (EBA/GL/2015/22) and repeal of CSSF Circular 10/496;
- Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with technical regulatory standards as regards the appropriate qualitative and quantitative criteria for identifying categories of staff whose professional activities have a material impact on the risk profile of an institution (the "Regulation”);
- The principles applied in this procedure also fall within the overall framework of the remuneration policy implemented since 2010 at Fund Channel and its parent company Amundi. In addition to the CSSF Circulars listed above, this procedure takes account of:
- the Financial Stability Board standards issued on 25 September 2009,
- the spirit of the standards enacted by the French Banking Federation in November 2009,
- the remuneration framework given by shareholders.
- Directive 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempt entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (“CRD V”);
- Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (“IFR”);
- Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU (“IFD”);
- The Law of the 5th april 1993 regarding the Financial Sector as amended concerning in particular the transposition into Luxembourg law of Directive (EU) 2019/2034 and the implementation of Regulation (EU) 2019/2033;
- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability□related disclosures in the financial services sector (“SFDR”).

II. SCOPE OF APPLICATION

The remuneration policy applies to the Company, its Swiss subsidiary, Fund Channel (Suisse) S.A., its Singapore branch and its representative office in Italy, provided that local legal and regulatory provisions in Switzerland, Singapore and Italy are not more stringent and do not require a national remuneration policy in any of these jurisdictions.

This remuneration policy applies to:

- all staff;
- material risk takers as more fully defined by Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 and subject to specific provisions (the "Material Risk Takers") determined as of the effective date of this remuneration policy, being:

  a) the Company's Managing Director;
  b) the Company Secretary, in his or her capacity as a member of Management and in charge of the Finance, Legal, Human Resources and Risk & Compliance functions;
  c) the CEO of Fund Channel (Suisse) S.A.;
  d) the Company's Operations Manager;
  e) individuals performing an auditing role, such as the Head of Risk & Compliance;
  f) employees who receive remuneration in the same bracket as general management and whose professional activities have a material impact on the risk profile, such as the Head of Business Development.

III. CATEGORIES OF STAFF COVERED

A. PRINCIPLE

Employees who satisfy the following two conditions will be considered as part of the "*identified staff*":

- employees whose professional activities have a material impact on the Company's risk profile; and

- whose variable compensation exceeds €100,000 (or local currency equivalent); which reflects the level of responsibility as regards the risk profile.

In the event that the two cumulative conditions mentioned above are not met, employees will receive, if they are eligible, their variable remuneration in accordance with Article VI. A of this remuneration policy.

If the above conditions are cumulatively met, employees qualified as "identified staff" will receive their variable remuneration in accordance with Article VI. B of this remuneration policy.

B. "OTHER IDENTIFIED STAFF"

Any employee who carries out portfolio management or is a member of management with a total variable annual remuneration exceeding €500,000 and who could have a material impact on the risk profile within his or her function will be subject to the provisions of Article VI.B of this remuneration policy.

IV. STRUCTURE OF THE REMUNERATION

The purpose of the remuneration policy is to align remuneration with sound risk management. The remuneration system in place is linked to the strategic objectives of the Company and consists of a balance between fixed and variable remuneration and a measure of performance.

Each employee will be entitled, at the Company's discretion and under the terms and conditions of his or her employment contract, to a portion or all of the following components of remuneration, depending on his or her responsibility and place of work:

- **Fixed remuneration**, based on the level of responsibility to be taken into account according to local specificities and market conditions. The fixed component represents a sufficiently high share of the total remuneration to allow the operation of a flexible policy on variable remuneration, including, where appropriate, the possibility to pay no variable remuneration at all.

- **Variable remuneration**, divided into two components:

  - Annual bonus that rewards the employee, either individually or based on the performance of the team of which he or she is a member, and is determined at the discretion of management based on the level of objectives and pre-defined performance criteria;

  - “Long Term Incentive” for a selected population of key executives: award of Amundi performance shares, intended to motivate managers to achieve business and financial objectives as set out in the Amundi Business Plan.

  - Collective variable remuneration: fully discretionary remuneration intended to involve the employee in the financial performance generated by the Company. It is exclusively designed to associate employees financially with the Company’s economic results and is not based on individual performance criteria.

    This variable remuneration may be paid in the form of a profit-sharing bonus in accordance with the provisions of Article 115 number 13a of the Income Tax Law, which is based on the net profit that the Company has generated for the operating year preceding the one in which the employee profit-sharing bonus is allocated. The payment of this profit-sharing bonus is at the discretion of the Company's management.

- **Benefits**: intended to provide support and protection for employees and their family members, such as meal vouchers, company car and/or parking space, expatriation package, non-discretionary pension plan or non-discretionary supplementary pension.

Criteria taken into account to determine the bonus depending on the position

Position		Quantitative criteria	Qualitative criteria
Investment Management	**Risk-adjusted performance**	• IR/Sharpe over 1, 3, 5 years • Gross/absolute/relative performance of the investment strategies (based on GIPS composites) over 1, 3, 5 years, outlook mainly focused on 1 year, adjusted with long-term figures (3,5 years) • Performance risk adjusted based on IR/Sharpe over 1, 3, 5 years • Competitive positioning through Morningstar rankings • Net inflows / Successful requests for proposals, mandates • Performance fees generation • ESG rating of the funds according to different providers when applicable (Morningstar, CDP…) • Respect of ESG beat the benchmark, ESG exclusion policies and climate transition index	• Compliance with risk policy, compliance and legal rules • Quality of management • Innovation/product development • Collaboration/Sharing of best practices • Commercial engagement – including the ESG component of commercial effort and flows • ESG - Compliance with ESG policy and participation to the ESG and net-zero offering - Integration of ESG into investment processes - Capacity to promote and project ESG knowledge internally and externally - Extent of proposition and innovation in the ESG space - Demonstrates capacity to manage well the combination of risk return and ESG (the risk and ESG adjusted return)
Sales	**Business development and sustainability through proper behavior and consideration** of **client's interests**	• Net inflows, notably on ESG and impact denominated products • Revenues • Gross Inflows • Client base development and retention; product mix • Number of commercial activities per year, notably prospection activities • Number of clients approached on their net zero strategy	• Compliance with risk policy, compliance and legal rules • Joint consideration of Amundi's interests and of client's interests • Securing/developing the business • Client satisfaction • Quality of management • Cross-functional approach and sharing of best practices • Entrepreneurial spirit • Capacity to explain and promote ESG policies and capabilities as well as solutions of the firm
Control	**Project management and achievement of own targets,** *regardless of the results of the business controlled*	• Depending on the projects managed and objectives set • Absence of regulatory breach	• Depending on the projects managed and objectives set • Quality of controls • Compliance with regulations and consideration of client's interests • Quality of management • Collaboration/Sharing of best practices
Support	**Project management and achievement of own targets**	• Depending on the projects managed and objectives set • Management/optimization of expenses	• Depending on the projects managed and objectives set • Quality of client servicing and support to all staff • Improvement of company's efficiency, contribution to its development • Quality of management • Collaboration/Sharing of best practices

V. VARIABLE REMUNERATION

A. PRINCIPLES APPLICABLE TO ALL STAFF

A variable component complements the fixed component.

1. BONUS DEPENDENT ON OBJECTIVES AND PERFORMANCE

This variable remuneration rewards the performance of staff members who meet the objectives set by the Company and is allocated at the discretion of the Company.

The assessment of individual performance must be carried out by line managers on the basis of:

- objective criteria, quantitative as well as qualitative,
- based on, depending on the function, an appropriate short to long-term period,
- while taking into account compliance with risk limits (including, where applicable, elements related to compliance with sustainability risks) and client interests.

Payments relating to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure.

ESG criteria and Sustainability Risk as part of Amundi group remuneration framework

Since its creation in 2010, Amundi has made responsible investment one of its founding pillars. In 2018, Amundi set out a three-year action plan with an objective of adopting a 100% responsible approach. With the ambition of further strengthening its commitments, on 8th December 2021, Amundi launched a social and climate action plan through to 2025. Being ESG strategy key to the Company strategy, Amundi group remuneration policy is aligned with its Responsible Investment policy and its 2025 ESG Ambitions plan.

ESG criteria are embedded within Amundi’s control framework, with responsibilities spread between the first level of controls performed by the Investment teams themselves and second level of controls performed by the Risk teams, that can verify the compliance with ESG objectives and constraints of a fund at all time. ESG rules are monitored by the Risk teams the same way as any rule falling into their control perimeter, relying on the same tools and on the same procedures.

Moreover, as part of its 2025 ESG Ambition plan, Amundi has implemented a direct link between management remuneration and ESG objectives, by including the level of achievement of its ESG objectives in the KPIs calculation of the performance shares for its 200 senior executives (weight 20% of total criteria), as well as by setting ESG targets for all portfolio managers and sales representatives.

Bonus cap

With respect to this variable remuneration, the following two principles apply:

a/ variable remuneration may not exceed 100% of the fixed portion of each employee's total remuneration; and

b/ the shareholders of the Company (excluding the staff concerned by the ratio in question) may approve a higher level of the ratio between the fixed and variable components of remuneration provided that the variable remuneration does not exceed 200% of the fixed portion of the total remuneration of the person concerned.

2. PROFIT-SHARING BONUS

The profit-sharing bonus is based on the annual net profit generated by the Company as shown in the last balance sheet close before 1 January of the year in which the profit-sharing bonus will be paid to the employee.

It is attributed at the discretion of the Company.

In the context of the granting of the profit-sharing bonus and in order to qualify for the 50% tax exemption provided for in Article 115 number 13a of the Law on Income Tax, two conditions must be met:

- the amount of the profit-sharing bonuses that may be distributed to employees by the Company may not exceed 5% of the profit of the previous year; and

- the amount of the bonus paid to the employee may not exceed 25% of the gross amount of the employee’s annual remuneration, before the incorporation of the cash and in-kind benefits, relating to the taxation year in which the bonus is allocated to the employee.

B. DETERMINING THE AMOUNT OF THE VARIABLE REMUNERATION

The amount of the variable remuneration is determined on the basis of the Company's performance in the past year and by ensuring that the level of equity remains sufficient.

In particular, the total amount of the Amundi Group’s variable remuneration is determined as a % of the gross operating income, allowing the amounts distributed to be calibrated according to the earnings generated by Amundi. This amount takes into account the risks (including sustainability-related risks) and is communicated to the Board of Directors of Amundi.

The amounts of the different sectors are determined according to a top-down process which allows each sector’s contribution to Group performance to be factored in at each stage. The amount is then distributed among the different departments according to the evaluation of their performance and, within each department, based on the individual performance rating.

C. EVALUATION PROCESS

Individual performance is assessed through a review process where the employee is assessed by his or her line managers. The evaluation of individual performance is notably used to set the variable remuneration.

Individual performance is reviewed through the evaluation process, which assesses how employees achieve quantitative and/or qualitative objectives related to their job role, and takes into account individual behaviour to avoid short-term risk-taking in particular.

For executives other than the Managing Director, the objectives are defined by the Board of Directors of the Company. The evaluation of the objectives of other executives is carried out by the Managing Director of the Company.

The determination of the amount to be paid to each employee takes into account qualitative criteria, namely the sustainability of the actions carried out by the employee and their long and medium-term interest for the Company, the personal involvement of the employee and the fulfilment of the tasks entrusted to them.

Depending on the position, quantitative criteria will also be used.

The achievement of the qualitative and/or quantitative criteria set will determine the variable remuneration paid to each employee.

D. RULES APPLICABLE TO RELEVANT STAFF (“IDENTIFIED STAFF” AND “OTHER IDENTIFIED STAFF”)

The Board of Directors of the Company will each year issue a list of relevant staff with all information necessary and useful for the application of the scope of the provisions of this section.

This list is prepared and reviewed with the assistance of the local, Management, HR and Compliance teams.

<u>Rules applicable by function :</u>

➢ ***Managing Director of the Company***

The objectives of the Managing Director of the Company are set and evaluated by the Chair of the Board of Directors of the Company.

The following elements will be considered in assessing the performance of the Managing Director:

- the budgetary control of the Company and earnings growth of the entity;
- the control of operational risks, including, in particular, the speed of collection and the seniority of debts;
- the satisfaction of the Company’s clients.

- ***Members of the Board of Directors***

No remuneration is paid for serving as a director of the Company. The office of director does not give entitlement to variable remuneration linked to profit or other performance criteria, nor entitlement to bonus shares, stock options or an extra-legal pension plan. Travel or stay expenses incurred by the directors in connection with and for the purposes of their function will be borne by the Company.

- ***Executives***

The total remuneration of the executives of the Company is reviewed by the Chair of the Board of Directors of the Company.

This remuneration consists of the components described in Article IV of this remuneration policy.

- ***Staff holding control functions***

Their total remuneration consists of the components described in Article IV of this remuneration policy.

The variable remuneration of the identified staff in the control functions depends on the achievement of the objectives related to their function and cannot be linked to the performance of the operating sectors that they control.

The remuneration of Risk and Compliance Officers is under the direct supervision of the Managing Director.

VI. TERMS OF PAYMENT

A. PAYMENT TERMS APPLICABLE TO STAFF OTHER THAN IDENTIFIED STAFF

Variable remuneration is paid only if the employee meets the set performance conditions (bonus) and/or if the condition related to the Company's profit is met (profit-sharing bonus) and if the employee does not take excessive risks during that period.

No obligation to defer variable remuneration is applicable to the Company.

The Company benefits from the derogation provided for in Article 38-22 (4) of the Law of the 5th april 1993 regarding the Financial Sector as amended, so it is not subject to an obligation to defer the payment of its variable remuneration.

In accordance with Article 38-22 (3) of the Law of the 5th april 1993 regarding the Financial Sector as amended transposing the IFD and IFR, investment firms with an average asset value is less than €100,000,000 over the four-year period immediately preceding the relevant financial year and persons whose annual variable remuneration does not exceed €50,000 or represents less than a quarter of their total annual remuneration are not subject to the obligation to defer at least 40% of the variable remuneration for a period of three to five years, unless the variable remuneration is particularly high, in which case the variable remuneration deferred will be at least 60%.

The above threshold of €100,000,000 is raised to €300,000,000 for companies that meet the following criteria, in accordance with Article 38-22 (4) of the Law of the 5th april 1993 regarding the Financial Sector as amended:

1. The company is not among the three largest investment firms in Luxembourg in terms of total asset value;

2. The company is not subject to simplified obligations or obligations with regard to the planning of reorganisation and resolution measures in accordance with Articles 59-26 and 59-27 of this Law and Articles 5 and 6 of the Law, as amended, of 18 December 2015 relating the failure of credit institutions and certain investment firms;

3. The company has a balance sheet and off-balance sheet trading portfolio of less than or equal to €150,000,000;

4. The company has a volume of derivatives business (as defined in Article 2(1)(29 of Regulation (EU) No 600/2014) on the balance sheet and off-balance sheet of less than or equal to €100,000,000;

5. The company does not meet two or more of the following criteria:

   a) Its asset value exceeds €5 billion;
   b) It is the ultimate parent company of the group to which it belongs, where relevant;
   c) It is the parent company of a significant number of subsidiaries established in other countries;
   d) Its shares are listed for trading on a regulated market.

As the Company meets the above criteria to benefit from the exemption provided for in Article 38-22 of the above-mentioned Draft Law and its assets are between €100,000,000 and €300,000,000, the payment of variable remuneration is not subject to the deferral obligation.

Nevertheless, in order to comply with the remuneration policy of the Amundi Group, the remuneration must be deferred according to the rules in the following table:

Annual variable remuneration	Percentage of annual variable remuneration to be deferred	Guaranteed non-deferred portion
< EUR 100k	0%	-
EUR 100-400k	40%	EUR 100k
EUR 400-600k	50%	EUR 240k
EUR 600k	60%	EUR 300k

Practical implementation:

- The percentage is applied to the entire annual variable remuneration granted (application “from the first euro”). The application of this scale may not give rise to a deferred amount of less than €15,000. Below this amount, the deferral is cancelled and variable remuneration is paid in full.
- The application of this scale may not result in an immediate payment of less than the guaranteed non-deferred portion.
- In the event that the employee benefits from the long-term incentive plan:
  - The performance shares awarded are taken into account for the calculation of the portion of variable remuneration to be deferred;
  - Performance shares will be issued to the beneficiaries at the end of the vesting period (vesting in a single tranche). The deferred portion of the bonus will be divided into three equal tranches which will be paid over a period of three years following the award date (staggered vesting);
  - In the event that the long-term incentive is greater than the amount to be deferred, taking into account the guaranteed non-deferred portion, the bonus will be paid in full on the award date.

Example of calculation of the deferred portion (long-term incentive/bonus breakdown):

*An employee who is not identified staff is awarded an annual variable remuneration of €200,000, which is allocated as €40,000 in performance shares and €160,000 as bonus. The portion of variable remuneration to be deferred is 40% * €200,000 = €80,000, of which €40,000 corresponds to the performance share award and the remaining €40,000 to the deferred portion of the bonus. The balance of the variable remuneration is paid immediately, i.e. €200,000 - €80,000 = €120,000.*

1. CONDITIONS FOR FINAL VESTING

Each tranche of deferred variable remuneration will only be definitively vested if the following conditions are met:

Failure to meet the above conditions may result in a decrease or even the permanent loss of the amount to be paid.

2. PAYMENT IN THE FORM OF INSTRUMENTS

In accordance with the principle of proportionality, the Company will not grant variable remuneration in the form of the award of shares, equivalent ownership rights, share-linked or equivalent non-cash instruments, or shares or instruments within the meaning of Articles 52 and 63 of Regulation EU No 575/2013, which can be converted into AT1 instruments or amortised, reflecting the credit quality of the Company.

The Company is not obliged to pay variable remuneration in the form of instruments under Article 38-22 (3) of the Law of the 5th april 1993 regarding the Financial Sector as amended.

The Company meets the criteria laid down in Article 38-22 (4) of the Law of the 5th april 1993 regarding the Financial Sector as amended transposing the IFD and IFR, and therefore is not subject to the obligation to pay at least 50% of variable remuneration in the form of instruments.

3. ADJUSTMENT OF VARIABLE REMUNERATION IN RELATION TO THE FINANCIAL POSITION

In the event of significant losses or severe deterioration in the economic environment, the Board of Directors of the Company reserves the right to reduce or eliminate variable remuneration (individual and/or group) for the period concerned.

The Board of Directors may also reduce or eliminate variable remuneration, including the deferred portion, if the payment of that variable portion is not justified by the performance of the business unit or person concerned or because of the negative result of the Company.

B. PAYMENT TERMS APPLICABLE TO “IDENTIFIED STAFF” AND “OTHER IDENTIFIED STAFF” (JOINTLY THE RELEVANT STAFF)

For the relevant staff as defined in Articles III A. and III B. of this remuneration policy, variable remuneration will be paid in accordance with the following principles and conditions:

1. PRINCIPLE

Variable remuneration is paid only if the employee meets the set performance conditions (bonus) and/or if the condition related to the Company’s profit is met (profit-sharing bonus) and if the employee does not take excessive risks during that period.

The payment will be made, in equal tranches, over a period of three years only if the employee meets the performance conditions laid down and does not take excessive risks during the period. The deferral is carried out according to the following table:

Variable remuneration granted	Percentage to be deferred	Portion not deferred
Up to 100K€	0%	-
€100K-600K	50%	-
> €600K	60%	€300K
Executive Committee	60%	-

Practical implementation:

- The percentage is applied to the entire annual variable remuneration granted (application “from the first euro”).
- In the event that the employee benefits from the long-term incentive plan:
  - the performance shares awarded are taken into account for the calculation of the portion of variable remuneration to be deferred;
  - performance shares will be issued to the beneficiaries at the end of the vesting period (vesting in a single tranche). The deferred portion of the bonus will be divided into three equal tranches which will be paid over a period of three years following the award date (staggered vesting) and indexed to a basket of representative funds.

Example of calculation of the deferred portion (long-term incentive/bonus breakdown):

An employee who is classified as identified staff is awarded an annual variable remuneration of €200,000, which is allocated as €60,000 in performance shares and €140,000 as bonus.

*The portion of variable remuneration to be deferred is 50% * €200,000 = €100,000, of which €60,000 corresponds to the award of performance shares and the remaining €40,000 to the deferred portion of the bonus. The balance of the variable remuneration is paid immediately, i.e. €200,000 - €100,000 = €100,000.*

2. CONDITIONS FOR FINAL VESTING

Each tranche of deferred variable remuneration will only be definitively vested if the following conditions are met:

- overall performance (at Group level),
- absence of risky work behaviour (at individual level) and employment at the vesting date.

Failure to meet the above conditions may result in a decrease or even the permanent loss of the amount to be paid.

The total amount of variable remuneration is determined by combining the performance rating of the employee and of the Company. The evaluation of individual performance takes into account the financial and non-financial criteria of the past year, decisions made in previous years having consequences for the past year and the Company's short and medium-term outlook.

3. VARIABLE REMUNERATION ADJUSTMENT

In the event of significant losses or severe deterioration in the economic environment, the Board of Directors of the Company reserves the right to reduce or eliminate variable remuneration (individual and/or group) for the period concerned.

If the Company were to record a poor or negative financial performance, this would result in a significant contraction of the total variable remuneration, taking into account both current remuneration and reductions in payments of previously vested amounts, including by means of malus or claw-back schemes.

The specific criteria for the application of the malus or claw-back schemes are the situations in which the relevant staff:

(i) engaged in or were responsible for any conduct that resulted in significant loss to the Company;

(ii) have not met the applicable standards of propriety and competence.

The relevant staff of the Company may be required to reimburse in full or in part the variable remuneration already paid in the event of proven fraud, and at the request of the Board of Directors.

4. PAYMENT OF VARIABLE REMUNERATION

The total amount of variable remuneration is determined by combining the performance rating of the employee and of the Company. The evaluation of individual performance takes into account the financial and non-financial criteria of the past year, decisions made in previous years having consequences for the past year and the Company's short and medium-term outlook.

Variable remuneration is paid at the discretion of the employer and does not constitute a guaranteed payment, either in principle or in amount. No bonus is deemed to be fixed or quasi-fixed remuneration, even if an employee receives the same amount for several years.

5. MONITORING OF RISKY BEHAVIOUR

Monitoring of risk limits and compliance rules is carried out annually by the relevant control functions (risk and compliance).

VII. GUARANTEED REMUNERATION

Guaranteed variable remuneration is exceptional, applies only to the hiring of a new staff member and is limited to the first year.

Early termination payments are based on performance over time and are designed not to reward failure.

VIII. GOLDEN PARACHUTE

No “Golden Parachute” is provided for in employment contracts as of the effective date of this remuneration policy.

Under no circumstances can payments for early termination of a contract corresponding to performance provided over time be used to reward failure.

IX. DISCRETIONARY PENSION PLAN

The Company does not offer a discretionary pension plan to its employees.

X. PROHIBITION OF CIRCUMVENTION MEASURES

Staff are required to undertake that they will not use personal hedging strategies or compensation or liability insurance to counteract the impact of risk alignment in their remuneration agreements.

Variable remuneration will not be paid through instruments or methods which facilitate the circumvention of the requirements of this Directive.

XI. GOVERNANCE

A. IMPLEMENTATION OF THE POLICY

The remuneration policy is reviewed by the Amundi Group’s Remuneration Committee, which exercises competent and independent judgement on remuneration policies and practices and on the incentives created for risk, capital and liquidity management.

This Committee is made up of members of the Board of Directors of the Company who do not exercise an executive function within the Company. To the extent possible, it respects the rules of gender parity. If staff representation on the Board of Directors is provided for in the Labour Code, the Remuneration Committee will comprise one or more staff representatives.

The local Board of Directors validates these decisions.

B. MONITORING OF IMPLEMENTATION

The internal audit function within the Company corresponds to the normal control of the Company, particularly in the verification of the implementation of the remuneration policy. It has been agreed by the directors that the Company will be subject to Amundi's internal audit. The internal audit plan includes an annual audit of compliance with Circular 13/563, including remuneration policy in accordance with Article 10 of that Circular.

The internal audit will ensure that the remuneration policy has been reviewed at least annually by the Board of Directors and that the principles and associated procedures have been implemented accordingly, and will report on these results to the Board of Directors. This report mentions the pay gap between men and women.

A copy of this report will be made available to the Commission de Surveillance du Secteur Financier ("CSSF").

The internal audit ensures the fair and consistent application of the remuneration policy within the Company, and its compliance with the rules and regulations applicable to remuneration matters and with the principles established by the Board of Directors.

C. ROLE OF THE REMUNERATION RISK COMMITTEE

At the Group level, a dedicated committee called the "Remuneration Risk Committee" brings together the Human Resources function and the control functions.

All employees with a material impact on the Company's risk profile are subject to individual monitoring of risk behaviour by the control functions. This monitoring is reviewed periodically by the Remuneration Risk Committee.

The opinion of the Remuneration Risk Committee is forwarded to the General Management in order to be taken into account both in the new awards and in the vesting of deferred bonus tranches. These provisions also apply to the award and vesting of performance share rights, where applicable.

In accordance with the terms of reference of the Remuneration Risk Committee and in the course of its activity, the Committee will:

- Validate compliance of the Group remuneration policy with regulatory requirements;

- Validate the various baskets of funds used for indexing the deferred component of individual remuneration;

- Complete second-level control of remuneration processes based on the report describing the first-level control provided by HR;

- Ensure the compatibility of the Group's remuneration policy with Amundi's economic and prudential situation, having regard to the regulatory requirements;

- Validate the list of identified staff proposed by the HR department and the entities involved, ensuring compliance with regulatory requirements. For Fund Channel, the local HR Manager reviews the list of identified staff once a year and communicates this information to the Group HR department to ensure that the local identified staff are covered by the Group process;

- Review the evaluation of risk takers' behaviour based on information provided by the Fund Channel Compliance function regarding their obligations to act in good faith and in compliance with all applicable regulatory and internal risk and compliance rules. This assignment is documented in the minutes of the Committee.

The minutes will include, where applicable, all identified cases where a risk taker has displayed inappropriate behaviour that has triggered or potentially triggered a material risk impact on the Company or its clients.

In addition to the above activities, the Remuneration Risk Committee will indicate any significant behaviour having a material impact on the entity’s risk profile.

Furthermore, each member of the Committee may at any time inform the Committee of any specific situation which might warrant a review by the Committee. In such a situation, an ad hoc meeting will be convened.

XII. PUBLICATION

A. EXTERNAL PUBLICATION

Amundi publishes its group remuneration policy on its website.

Fund Channel also publishes its remuneration policy on its website (https://www.fundchannel-group.com/fr/mentions-legales).

The Board of Directors of the Company will prepare and publish a report presenting the following information on the remuneration policy and practices of the members of the executive body and risk takers:

- The decision-making process implemented to define the remuneration policy as well as information on the bodies (including their composition and mandate) and, where appropriate, the external consultants who have played an important role in defining the remuneration policy;
- A description of the categories of staff considered risk takers and the criteria used to identify the staff;
- A description of the different forms of variable remuneration used (cash and other) as well as the justification for the use of these different forms and their allocation to the different categories of staff;
- The main characteristics of the remuneration policy, in particular the criteria used to measure performance (quantitative and qualitative criteria) and adjust remuneration to current and future risks, the link between remuneration and performance, the policy on the staggering of remuneration and guaranteed remuneration, as well as the criteria used to determine the proportion of cash amounts in relation to other forms of remuneration.

Following the Investment Firms Regime, Fund Channel also publishes the IFR Annual Report on its website (https://www.fundchannel-group.com/fr/mentions-legales).

B. INTERNAL PUBLICATION

The Company ensures that each of its employees will be regularly informed of their level of remuneration, the criteria used to assess their performance and the link between performance and remuneration.

The Company also ensures that this remuneration policy is communicated to its shareholder and to the internal audit body of the Company.

APPENDIX I: 2021-2022 KEY HIGHLIGHTS REGARDING THE REMUNERATION POLICY

Implementation of an LTI plan

Following the Amundi Group General Assembly dated 16th May, 2019, the principle of an LTI grant delivered through Amundi performance shares has been decided for its key executives, and has been validated by the Amundi Board of Directors on the 28th April, 2021.

All performance shares are subject to the following vesting conditions:

- a single vesting 3 years after the grant date (2024),
- Absence of excessive risk-taking professional behavior,
- Group performance conditions based on the achievement of three financial KPIs over 3 years
- (weight 80%) and ESG commitments (weight 20%) linked with Amundi Business Plan.

The overall award value is considered deferred by nature, and is understood as being part of the variable compensation.

Deferred bonus indexation arrangements

For identified staff, the whole amount of deferred bonus will be indexed on the performance of a representative basket of funds as validated by the Risk Remuneration Committee.

Indexation on the basket of funds (at group or entity level) will be determined by measuring the relative or absolute performance of each constituent of the basket depending on the fund management type (benchmarked or not). For the basket of funds, the performance (and thus the indexation) is then calculated as the equally weighted average performance of its constituents. These performances are calculated on a calendar year basis in absolute terms for total return type of funds and in relation to the benchmark (asdescribed in its prospectus) for benchmarked funds. The annual performance for indexation purposes of eachbasket of funds is validated by the Risk Remuneration Committee.

In 2022, baskets of funds are defined at Amundi, Amundi Real Assets legal entities (Amundi Immobilier, Amundi PEF, Amundi Transition Energetique, and Amundi RE Italia sgr) and Amundi SGR levels.

Detailed individual and collective vesting conditions

Each tranche of deferred compensation vests only under conditions of performance, absence of excessive risk-taking professional behavior and presence at the date of vesting. Not meeting these conditions can resultin a decrease or loss of the deferred amount.

Together, the (collective) performance condition and the (individual) absence of risky professional behavior form the ‘malus’ clause (ex-post risk adjustment).

- The performance condition relative to each tranche of deferred compensation is related to the achievement of group / entity level financial performance. As such, in case of significantly adverse financial performance, the deferred part of variable remuneration can be voided partially or in full.

- The condition related to the absence of excessive risk-taking professional behavior is individual in nature and will be assessed by the Risk Remuneration Committee as regards:

- Misconducts or breach of compliance rules as implemented by Amundi
- Non-compliance with risk processes and limits implemented by Amundi.

Monitoring of risk-taking behavior: see paragraph V. D. RULES APPLICABLE TO RELEVANT STAFF ("IDENTIFIED STAFF" AND "OTHER IDENTIFIED STAFF")

Carried interest

In order to ensure full alignment of interests between equity providers and management companies, Fund Channel has implemented a specific remuneration structure in the form of a carried interest, for a selected number of beneficiaries in the private equity and private debt sect

APPENDIX II: SUMMARY OF APPLICABLE PROVISIONS REGARDING INDIVIDUAL VARIABLE COMPENSATION

<table>
<tr><th>Population</th><th>Deferral</th><th>Deferral schedule</th><th>Indexation</th><th>Presence condition</th><th>Individual vesting conditions</th><th>Collective vesting conditions
(Performance conditions)</th></tr>
<tr><td>Non-deferred population
- Variable remuneration < 100,000 €</td><td>None</td><td>N/A</td><td>None</td><td>No</td><td>No</td><td>None</td></tr>
<tr><td rowspan="2">Deferred population (non AIFM/UCITS identified staff)
- Variable rem >= 100,000 €
- Not considered as Material Risk Taker (AIFM/UCITS definition)</td><td rowspan="2">Per tranches (Calculated on total individual variable pay) [1]
<100 K € = 0%
100 – 400 K € = 40 %
400 – 600 K € = 50 %
>600 K € = 60 %
Deferred at First Euro</td><td>Bonus: 3 equal tranches over 3 years</td><td>None</td><td rowspan="2">Yes</td><td rowspan="2">Partial or total reduction of the deferred portion initially awarded in case of excessive risk-taking professional behavior. On recommendation of the Risk Remuneration Committee to the Group Management.</td><td>Formula based decrease of deferred bonus amount (partial or full) in case of non-achievement of group or entity level KPI.
No possibility to increase the bonus awarded.</td></tr>
<tr><td>LTI (if any): 1 tranche at the end of 3 years</td><td>Amundi share price</td><td>Formula based decrease or increase of number of awarded shares based on achievement of group level KPIs as described in the plan rules.</td></tr>
<tr><td rowspan="2">Deferred population (AIFM/UCITS identified staff)
- Bonus >= 100,000 €
- Considered as Material Risk Taker (AIFM/UCITS definition)</td><td rowspan="2">Per tranches (Calculated on total individual variable pay) [1] :
<=600 K € = 50%
>600 K € / ExCo = 60 %
Deferred at First Euro</td><td>Bonus: 3 equal tranches over 3 years</td><td>Representative baskets of funds:
- One basket representative of Amundi, SGG, ETG, BFT, CPR AM and international entities
- Specific baskets for A-Immo, A-PEF , ATE, Amundi SGR</td><td rowspan="2">Yes</td><td rowspan="2">Partial or total reduction of the deferred portion initially awarded in case of excessive risk-taking professional behavior. On recommendation of the Risk Remuneration Committee to the Group Management.</td><td>Formula based decrease of deferred bonus amount (partial or full) in case of non-achievement of group or entity level KPI.
No possibility to increase the bonus awarded.</td></tr>
<tr><td>LTI (if any): 1 tranche at the end of 3 years</td><td>Amundi share price</td><td>Formula based decrease or increase of number of awarded shares based on achievement of group level KPIs as described in the plan rules.</td></tr>
</table>

[1] Performance shares are considered as fully deferred.

APPENDIX III: IFR/IFD ADDENDUM OF AMUNDI GROUP REMUNERATION POLICY

1. GENERAL OVERVIEW AND IMPLEMENTATION OF THE ADDENDUM

This document is an addendum to Amundi 2022 remuneration policy and it is applicable to qualifying investment firms within Amundi in France and the European Economic Area in absence of more stringent local regulatory requirements. It is effective for the financial year starting on January 1st 2022.

This addendum represents the implementation of the e Investment Firms Regime (comprised of the Investments Firms Directive and the Investment Firms Regulation), published in the European Journal on the 5 December 2019 and applicable from the 26 June 2021; in particular, the Guidelines on sound remuneration policies under IFD apply from the performance year 2022.

This document illustrates remuneration rules specific for investment firms subject to IFD (for some topics like identification of material risk takers, maximum ratio between fixed and variable remuneration, etc.); if not otherwise specified, the provisions of the valid Amundi group policy apply.

The Remuneration Policy, its addendum and their implementation have been approved by the Amundi Board of Directors, following the review and positive opinion by the Amundi Remuneration Committee.

2. DEFINITION OF 'IDENTIFIED STAFF'

2.1 Scope of application

Investment Firm Regime is applicable to Investment Firms as defined in Article 4(1)(1)[1] of Directive 2014/65/EU. The directive identifies different classes of investment firms, based on their size, nature and complexity, and defines more onerous remuneration and governance requirements according to their classification, in alignment with the proportionality principle:

- Class 1 firms: systemic bank-like firms, subject to CRD-CRR requirements;

[1] 'investment firm' means any legal person whose regular occupation or business is the provision of one or more investment services to third parties and/or the performance of one or more investment activities on a professional basis. Member States may include in the definition of investment firms undertakings which are not legal persons, provided that: (a) their legal status ensures a level of protection for third parties' interests equivalent to that afforded by legal persons; and (b) they are subject to equivalent prudential supervision appropriate to their legal form.

- Class 2 firms: all other investment firms, subject to remuneration requirements detailed in the Directive. Article 32(4) of the Directive makes a distinction between significant and non-significant firms, foreseeing a derogation to certain requirements for the latter group.
- Class 3 firms: small non-interconnected firms, not subject to any remuneration requirements.

In practice, every year at individual firm level, an internal assessment is performed to determine the category of the investment firm and therefore the applicable remuneration provisions:

(1) **identification of small non-interconnected firms**: entities which do not trigger any of the thresholds set out in Article 12 of IFR

In Amundi, one entity belongs to this category: **Amundi Global Services.**

(2) identification of non-significant class 2 firms: entities which do not cross the threshold of EUR 100 million of their average on and off-balance sheet assets over the four-year period immediately preceding the given financial year. This threshold might be increased by the Member State up to EUR 300 million, as foreseen by Article 32(5) of IFD.

- **In France**: having the national regulator increased the significance threshold to EUR 300 million, Amundi investment firms based in France (**Amundi ESR, Amundi Intermédiation**) are considered non-significant class 2 firms;

- **In the other EU member states**: **KBI Global Investors Ltd** (Ireland) **and its subsidiary KBI Global Investor N.A., Amundi Czech Republic Asset Management a.s.** (Czech Republic) and **Fund Channel** (Luxembourg) are below the significance threshold confirmed by their national regulator;

- **In the United Kingdom**: the FCA is foreseeing an equivalent effective regulatory regime ("IFPRU"), which has set the significance threshold at GBP 300 million, which **Amundi UK Ltd** is not crossing.

As a result, for the performance year 2022, no investment firm in Amundi will be subject to the remuneration provisions for identified staff on deferral and payment in instrument[2] and the Remuneration Committee requirement.[3]

2.2 Identified staff

Employees / persons whose professional activities have a material impact on the risk profile of the investment firm or of the assets that it manages, should be considered 'identified staff' within the meaning of the IFD. All class 2 investment firms should apply the qualitative and quantitative criteria set out in the Directive and the EBA Regulatory Technical Standards.

The 'identified staff' definition process is performed and reviewed annually for each investment firm within the group.

Typical roles of identified staff are represented in the following table:

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[2] Article 32(1, j-l) of IFD
[3] Article 33(1) of IFD

Identification criteria	Typical Jobs in Amundi investment firms
a) All members of Management body in its management of supervisory function and senior management	CEO, members of the Board of Directors
b) For investment firms with a total balance sheet >= EUR 100 million, staff members with managerial responsibility for business units that are providing at least one of the services that requires authorization under points 2-7 of Section A of MIFID Annex 1[4]	Applicable to: Amundi Intermédiation; Amundi ESR; Amundi UK; Fund Channel CIO; Head of Trading Desk; Head of Investment strategy /desk; Head of Credit/Equity research
c) Staff members with managerial responsibility for the activities of a control function, the prevention of money laundering and terrorist financing	Chief Risk Officer; Head of Compliance (includes AML); Head of Internal Audit
d) Staff responsible for managing material risks	CEO; Deputy CEO; CRO
e) Staff members responsible for managing economic analysis; information technology; information security; outsourcing arrangements of critical or important functions	CFO; COO
f) Staff members with the authority for approving or vetoing new products	CEO; Head of Marketing
g) Staff members awarded, in the preceding financial year, with a total annual remuneration >= EUR 500 000 or the lowest total remuneration of a staff member identified by criteria a-b-e-f	Case-by-case analysis: exclusions might apply if the staff member has no material impact on the risk profile of the investment firm or assets it manages[5].

3. TERMS OF PAYMENT FOR 'IDENTIFIED STAFF'

3.1. For investment firms not applying IFD-specific remuneration provisions (non-significant class 2 firms or SNI firms), the terms of payment for identified staff described in Amundi group remuneration policy apply.

3.2 For significant class 2 investment firms (as described in §2.1), payment of variable remuneration for identified staff should comply with the following rules[6]:

- Individual proportionality threshold: a deferral mechanism will be triggered for amounts of total variable remuneration (including LTI) above 50 000 EUR or 1/4 of total annual remuneration awarded for the performance year.
- 40% to 60% of variable remuneration will be deferred over 3 to 5 years;
- At least 50% of variable remuneration will be granted in share-based or share- linked instruments (applicable both to the upfront and deferred part).
- The acquisition of the remuneration in instruments will be subject to a retention period of 12 months.

[4] (2)Execution of orders on behalf of clients; (3)Dealing on own account; (4)Portfolio management; (5)Investment advice; (6)Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis; (7)Placing of financial instruments without a firm commitment basis.

[5] If the total annual remuneration is equal to or greater than EUR 750 000, the exclusion must be approved by the competent authority.

[6] In addition to the provisions of Amundi group remuneration policy.

4. TERMS OF PAYMENT FOR STANDARD POLICY

4.1. On top of the provisions of Amundi group remuneration policy, Amundi entities subject to IFD shall comply with a ratio of 200% between the variable and the fixed component of the total remuneration awarded to their staff; this ratio might be increased up to 300% in local entities, in alignment with local regulator provisions and upon validation of Risk and Compliance functions.

APPENDIX III: GLOSSARY

AIF	Alternative Investment Fund
AIFM	Alternative Investment Funds Manager
AIFMD	Alternative Investment Funds Directive 2011/61/EU
CSSF	Commission de Surveillance du Secteur Financier, Luxembourg
ESMA	European Securities and Markets Authority
ESG	ESG stands for Environmental Social and Governance, and refers to the three key factors when measuring the sustainability and ethical impact of an investment in a business or company. Amundi defined in the ESG 2025 Ambition Plan to strengthen our offer in ESG saving product to serve sustainable development to deepen our engagement towards investee companies and to set objectives internally in line with our §ESG ambitions.
UCITS	Undertakings in Collective Investments

LEGAL NOTICE

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