FUND CHANNEL REMUNERATION POLICY 2024

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2023	24/07/2023	HR	
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Fund Channel ("**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, commission agent
- financial sector administrative agent, client communications agent.

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 with an overall remuneration (i) equal to at least the lowest remuneration received by senior management or risk takers and / or (ii) equal to or greater than EUR 500 000, as further highlighted herein, 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.

Contents

I. GENERAL PROVISIONS

The remuneration policy (hereinafter "**the Policy**" or "**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.

Furthermore, the Policy for all employees, is consistent with the objectives of the Company's business and risk strategy, including environmental, social and governance (hereinafter "**ESG**") risk-related objectives, corporate culture and values, risk culture, including with regard to ESG risk factors, long-term interests of the Company, and the measures used to (i) avoid conflicts of interest, (ii) encourage prudent risk taking in the long-term and sound risk management and (iii) encourage responsible business conduct.

Indeed, the Policy 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 (hereinafter "**Group Remco**") 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, with local adaptations deemed necessary in case of more stringent or specific local regulatory requirements.

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. Notably, the fixed and variable components of total remuneration are set in a way that allows a fully flexible policy on variable remuneration that reflects the business strategy of the Company and the Group and associated risks;
- 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 aligns the time horizon of the risk and performance measurement with its business cycle in a multi-year framework;
- it provides for a structured remuneration system, whereby (i) the fixed remuneration primarily reflects the relevant professional experience and organisational responsibility of employees, thus providing them with a stable source of income, while (ii) the variable remuneration provides an incentive for employees to pursue the goals and interests of the Company, the Group, its clients and investors, and enables them to share in the Company's and Group's sustainable and stable success; it integrates the remuneration policy into the Group's financial risk management while encouraging the (i) Identified Staff and (ii) Relevant Persons to promote the sustainable success and stability of the Company and the Group.
- it aims at rewarding equal performance irrespective of employee characteristics such as gender, race, marital status as defined in local applicable regulations (i.e. non-discriminatory provisions).

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:

- CSSF circular 23/841, (i) applying the ESMA guidelines on certain aspects of the MiFID II remuneration requirements (ESMA35-43-3565), (ii) repealing the Circular CSSF 14/585 and (iii) modifying the Circular CSSF 07/307 ("**CSSF MiFID circular**").
- CSSF Circular 10/437 concerning the remuneration policies in the financial sector ("**CSSF remuneration circular**").
- Article 450 of Regulation (EU) 575/2013 with regards to disclosure requirements.
- EBA/GL/2021/13 on Guidelines on sound remuneration policies under Directive (EU) 2019/2034 ("**EBA Guidelines**" or "**Guidelines**").
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFiD II**").
- Draft Regulatory Technical Standards on criteria to identify categories of staff whose professional activities have a material impact on an investment firm's risk profile or assets it manages under Directive (EU) 2019/2034 (IFD) of the European Parliament and of the Council on the prudential supervision of investment firms (**"RTS**").
- Commission Delegated Regulation (EU) 2021/2154 of 13 August 2021 supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council with regard to regulatory technical standards specifying appropriate criteria to identify categories of staff whose professional activities have a material impact on the risk profile of an investment ("**MRT 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 regulatory framework listed above, this procedure takes account of:

- the Financial Stability Board standards issued on 25 September 2009, as transposed through the CSSF remuneration circular.
- the remuneration framework given by shareholders.
- 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 ("**LSF**").
- 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**").

All together, herein referred to as the "**regulatory framework**", **the "legal framework**", or the "**legal and regulatory framework**".

The Company's remuneration policy integrates the Group remuneration principles, as reviewed by the Amundi Remuneration Committee, while ensuring compliance with local regulatory obligations.

The Policy is reviewed at least annually, and is approved by Fund Channel's Board of Directors.

II. SCOPE OF APPLICATION

The remuneration policy provides remuneration practices and procedures applicable 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.

Notably, this remuneration policy applies to all members of staff of the Company, its subsidiaries, its branches and representatives, with specific provisions on variable remuneration (“**VR**”) applicable to the “Identified Staff” (“**Material Risk Takers**” or “**MRT**”), meaning members of staff whose professional activities have a material impact on the Company’s risk profile in accordance with the criteria set out under LFS and MRT Regulation (see next section III.A).

A. APPLICATION OF THE PROPORTIONALITY PRINCIPLE AT FUND CHANNEL

As described in Appendix III and based on the combination of all the criteria to assess and determining the required level of sophistication of its remuneration practices, Fund Channel has conducted a detailed self-assessment taking into account its size, internal organisation and the nature, scope and complexity of its activities.

As a result of the self-assessment, the Fund Channel is not eligible to apply the proportionality principle at institutional level considering that the Company is one of the three largest investment firms in Luxembourg, in terms of total assets, as notified by the CSSF upon Fund Channel request.

As an alternative and based on the above, the Company has decided to apply remuneration principles considering the application of the **proportionality principle at individual level**.

To this end, Fund Channel decides to waive its obligation to pay-out variale remuneration requirements for MRTs who have an annual VR that does not exceed € 50,000 and that does not represent more than one quarter (1/4) of his or her total annual remuneration:

- defer at least 40% to 60% of the total VR over a minimum of 3 to 5 years;
- pay at least 50% of the VR in shares or similar instruments; and
- apply a minimum retention of 1 year, following vesting, on VR paid as instruments.

However and as to follow the Group remuneration policies and practices, Fund Channel has decided to apply specific pay out provisions on VR to different categories of staff, as highlighed under section VI of the present Policy.

In addition, while Fund Channel relies on a Group Remuneration Committee and a Group Remuneration Risk Committee, it decides to set-up a local remuneration committee in order to comply with local requirements.

III. CATEGORITES OF STAFF COVERED BY SPECTIFIC REMUNERATION RULES

A. IDENTIFIED STAFF

In line with above-mentioned legal framework, Fund Channel, which is a subsidiary of Amundi Group, performs an identification process on staff whose professional activities have a material impact on its risk profile and accordingly inform the Group about the results. The identification process is a part of the overall remuneration policy of Fund Channel.

In this respect, Fund Channel performs, on an annual basis, an assessment in order to identify employees who have a material impact on the risk profile of the institution according to qualitative and quantitative criteria defined in the LFS and the MRT Regulation (please refer to Appendix II for the criteria used as per the regulatory framework), and documents the results of its assessment, with the support of the local HR and Control functions and the Management function.

Notably, the staff identification assessment is documented (including information on the rationale behind the assessment, how the assessment is carried out, the number of staff identified, their role and responsibilities, allocation by business areas, the results compared to previous years, etc.) and periodically updated during the year, (please refer to Appendix II for the list of the Material Risk Takers updated on a annual basis).

With regard to the quantitative identification critiera, any exclusion of MRTs, falling under the request for approval requirements, follows the modalities as prescribed by the LFS and MRT Regulation (details of respective considerations are to be found in Appendix II).

The list of MRTs is approved by the Board of Directors of the Company, and is submitted to Amundi for consolidation purposes.

Identified Staff are notified as soon as practical after having been identified. Communication includes information regarding the remuneration requirements, on which criteria Identified Staff are determined, how their remuneration may be impacted and how proportionality principle is applied and allows the neutralisation of some remuneration requirements.

B. RELEVANT PERSONS

Beyond the MRT identification, the MiFiD II regulation extends oversight and insurance of good practice to other relevant persons, including third parties, notably as to ensure (i) the convergence of the interests of clients with those of an institution providing investment services as well as (ii) the prevention of the mis selling of products. Indeed, the remuneration policy of an institution should set a framework for other persons – i.e., not employed by the institution - acting on behalf of the institution (e.g., tied agents), ensuring that the payments made are not providing any incentive for excessive risk taking or the mis-selling of products.

Whereas a **Relevant Person** is any person who can have a material impact on the service provided and / or corporate behaviour of the firm, including persons who are client-facing, front-office staff, sales force staff, and / or other staff indirectly involved in the provision of investment and/or ancillary services whose remuneration may create inappropriate incentives to act against the best interests of their clients.

While **Relevant Persons**, may not always be considered as MRTs, thus not subject to the full compensation considerations as highlighted throughout the Policy, their identification is important as the Company firm will have to ensure that the variable compensation of such population is not solely linked to the achievement of quantitative performance criteria. Indeed, for the respective population, the use of only quantitative performance criteria could create a conflict of interest whereby such population would push or promote the sale of specific products, which may not be in the best interests of their clients, just as to increase their variable compensation.

In line with MiFiD II regulation, Fund Channel has identified the following categories for its relevant persons:

- Employees who could have an impact on the service provided or corporate behaviour of the Company, such as conflict of interest or risk taking situations.
- Staff member in a front office function offering information on products.

Fund Channel does not have non-employees (e.g. tied agent) who may fall within the scope of the MiFID II remuneration requirements because they are:

- a natural person whose services are placed at the disposal and under the control of the firm or a tied agent of the firm and who is involved in the provision by the firm of investment services and activities; or
- a natural person who is directly involved in the provision of services to the firm or to its tied agent under an outsourcing arrangement for the purpose of the provision by the firm of investment services and activities.

The MiFID II regulation is designed to ensure that remuneration does not create inappropriate incentives for relevant persons that would encourage them to act against the best interests of the client.

Relevant Persons are notified as soon as practical after having been identified. Communication includes information regarding the remuneration requirements, on which criteria relevant persons are determined and how their remuneration may be impacted.

In this respect, Fund Channel performs, on an annual basis, an assessment in order to identify Relevant Persons, and documents the results of its assessment, with the support of the HR function, the Control functions and the Management Function.

The list of Relevant Persons is approved by the Board of Directors of the Company, (please refer to Appendix 4 for the list of the Relevant Persons updated on a annual basis).

IV. STRUCTURE OF REMUNERATION : OVERVIEW

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.

As per the present Policy, remuneration is either fixed or variable remuneration; there is no third category of remuneration. Indeed, the Company, in line with the EBA Guidelines, allocates the components of remuneration to either fixed or variable remuneration. To this end, the Policy sets out clear, objective, predetermined and transparent criteria to assign all remuneration components to either the fixed or variable categories in line with the EBA Guidelines.

Subsequently, 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.

A. REMUNERATION STRUCTURE

1. FIXED REMUNERATION

The fixed remuneration, is 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.

Fixed remuneration means all contractually agreed remuneration that is not linked to performance.

The fixed remuneration also includes **any benefits**, which are 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.

2. VARIABLE REMUNERATION

The variable remuneration, as (potentially) provided by the Company, can be divided into three 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 qualitative and quantitative performance criteria;

- “**Long Term Incentive**” ("**LTI**") for a selected population of key executives. This consists of an award of Amundi performance shares, intended to motivate managers to achieve business and financial goals as well as on the implementation of Amundi’s ESG trajectory objectives.
- **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 Luxembourg Income Tax Law (“**LITL**”), 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 and is a simple allocation method for tax purposes, as provided by the LTIL, of the variable remuneration.

For the sake of clarity, all of the above forms of variable remuneration, are considered to ensure a balance between fixed and variable remuneration and a measure of performance, as provided under section V.A.1.c. of the Policy.

V. STRUCTURE OF REMUNERATION : VARIABLE REMUNERATION

A. PRINCIPLES APPLICABLE TO ALL STAFF

A variable component of remuneration complements the fixed component, and opposed to the latter is based on performance critieria, as highlighted herein.

This remuneration policy and notably rules with regard to variable remuneration and associated performance, applies to all members of staff of the Company, its subsidiaries, its branches and representatives, with specific provisions on variable remuneration applicable to MRTs (see section VI.B.).

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, including financial and non-financial, performance criteria for individuals, business units and the investment firm.
- 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. The performance criteria should not incentivise excessive risk taking or misselling of products.

a. **Criteria taken into account to determine the bonus depending on the position**

Position		Quantitative criteria	Qualitative criteria
Investment Management	**Risk-adjusted performance**	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 **Responsible investment** Respect of Responsible Investment beat the benchmark Deliver alpha while respecting the Responsible Investment objectives of the fund (based on Amundi's rating) In the context of new exclusion policies, divest according to timeline when applicable Contribute to the development of Amundi's NZ offering with the objective of 1 NZ product / asset class Contribute to the engagement target of the 2025 ambition plan	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 **Responsible Investment** Comply with Responsible Investment policy Mainstream Responsible Investment processes, including beyond BtB when relevant (e.g. PAI integration, on boarding of GSS bonds analysis, etc…) Demonstrate capacity to manage well the combination of risk return and Responsible Investment (the risk and Responsible Investment adjusted return) Contribute to the achievement of "Amundi 2025 Plan" (2025 and intermediate targets) covering dimensions related to investment solutions offering Get Responsible Investment trained, promote and project Responsible Investment knowledge internally and externally Include Responsible Investment component in client engagement

Position		Quantitative criteria	Qualitative criteria
Sales	**Business development and sustainability through proper behavior and consideration of client's interests**	• Net inflows, notably on Responsible Investment (including NZ) and impact denominated products • Revenues • Gross Inflows • Client base development and retention; product mix • **Responsible investment** - Number of commercial activities per year and capacity to present our Responsible Investment offer (including NZ and impact) - 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 • **Responsible investment** - Capacity to explain and promote Responsible Investment policies and capabilities as well as solutions of the firm - Get Responsible Investment trained, promote and project Responsible Investment knowledge internally and externally (complete mandatory and highly recommended Responsible Investment trainings) - Accompany clients in new SFDR context
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

In particular, financial goals are avoided for control functions to ensure adequate degree of independence with respect to business subject to controlling activities and avoid any conflict of interest.

Marketing teams have also sustainable investment objectives defined to support sales team (e.g. steer the innovation pipeline for NZ & Impact products, ensure integrity of Responsible Investment communication, mainstream responsible investment into product management process, get trained on responsible investment).

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 as further defined under section VII.

In any case, the performance criteria used to determine the variable remuneration do not incentivise excessive risk taking nor incentivize the mis-selling of products.

b. 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 new ESG strategic plan for 2022-2025, the “Ambitions ESG 2025” Plan. Amundi group remuneration policy is aligned with its Responsible Investment policy and its “Ambitions ESG 2025” plan.

The respect of Amundi Responsible Investment policy is embedded within Amundi’s control framework. The responsibilities are 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 the Responsible Investment policy of a fund at all time. Responsible Investment policy 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, in accordance with the commitment number 8 of “Ambitions ESG 2025” plan, Amundi has included ESG criteria in the determination of remuneration. Indeed:

- the implementation of the “Ambitions ESG 2025” plan accounts for 20% of the KPIs supporting the performance share plan for more than 200 Amundi’s senior executives,
- Responsible Investment targets are also set for all portfolio managers, sales representatives and marketing teams.

c. Bonus cap

With respect to this variable remuneration, it may not exceed 100% of the fixed portion of each employee's total remuneration; this ratio might be increased up to 300% upon validation of local Board of Directors, as material exemption to the Policy.

During compensation review, particular attention is paid to the MRT population and all employees subject to the above caps. In this respect, the local HR function determines wherever the cap is exceeded or expected to be exceeded based on the bonus proposals, after the completion of the performance assessment cycle.

2. ALLOCATION OF THE BONUS IN THE FORM OF A PROFIT SHARING BONUS (PRIME PARTICIPATIVE)

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 Luxembourg Income Tax Law (“LITL”), 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 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.

For the sake of clarity, the profit sharing bonus, is a tax incentive as provided by the LTIL. It is not an additional variable remuneration to the annual bonus, but rather forms part of if (i.e., provided conditions have been met), and allows to allocate the total annual bonus in a tax efficient manner.

3. DETERMINING THE TOTAL AMOUNT OF 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.

At the level of Fund Channel, and based on input provided by Amundi, for the purpose of the total amount of variable remuneration at the Company's level, Fund Channel's local Management may propose necessary adjustments to the Group. Upon approval (or not) of such proposed adjustments, the proposed total amount of variable remuneration at the Company's level is submited to the Board of Directors of the Company, which may recommend potential downwards changes / adjustments that it feels are appropriate, taking into account the Company's business and risk performance.

Indeed, the Board of Directors of the Company will also ensure that:

i. the measurements of performance as defined above, used to allocate the Company's bonus pool includes an adjustment for all types of current and future risks and takes into account the cost of the capital and the liquidity required; and

ii. the allocation of the Company's bonus pool takes also into account all types of current and future risks.

For the purpose of sub points i. and ii. above, the Board of Directors of the Company shall rely on the expertise and input of respective local control functions, and notably the risk management function.

Final approval of the local bonus pool is provided by the Board of Directors of the Company, taking into account, the Company's capital and liquidity requirements and all types of current and future risks, as described above. Upon local Board of Directors' approval, the Management with support of HR, based on the total local envelope and the Business unit performances, determine the budget to be allocated to each Business line, which then is cascade down to the individuals on the basis of their individual performances.

3. 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.

The performance assessment is performed in a multi-annual framework to guarantee that the assessment is based on long-term individual performances.

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, under the supervision of the Local Remuneration Committee, and the final approval by the Board of Directors 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.

It is to note, that risk awareness and compliance are crucial for the success of the Company and as demonstrated above are included within the defined assessment parameters. Therefore, the Company has fully adopted and operates in accordance with the principles of three separate lines of defence.

Indeed, the risk awareness and behavioural assessments may have direct consequences on variable remuneration and, where applicable, in case of serious risk issues, may lead to a situation where the total annual bonus, or vested / unvested instrument entitlements, might need to be reduced, possibly even down to zero.

B. RULES APPLICABLE TO IDENTIFIED STAFF AND RELEVANT PERSONS

The Board of Directors of the Company will each year issue a list of Identified Staff and Relevant Persons (see Appendix II) 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, as defined under section III of the Policy.

Subsequently, the below, highlights the rules and key considerations applicable by function. It is to note that unless otherwise stated herein, the main principles as defined under section V.A above, remain applicable.

➢ **Members of the Board of Directors**

No variable remuneration is paid for serving as a executive or non-executive 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.

Any remuneration (fixed or variable) provided to an executive member of the Board, is in the individual’s operational and management capacity, thus provided to him / her as an employee of the Company, and not his / her oversight capacity.

Independent and non-executive directors of the Board, receive a fixed remuneration only (i.e., Director Fees).

➢ **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.

The Board of Directors who directly oversees the total remuneration of the Managing Director of the Company, with the final approval provided by the Chair of the Board of Directors of the Company. The Board of Directors of the company may be supported by Local Remuneration Committee for such purpose.

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

- **Executives**

The total remuneration of the executives of the Company is reviewed by the Local Remuneration Committee and approved by 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 control functions is predominantly fixed to reflect the nature of their responsibilities.

The total remuneration of senior officers in the Risk and Compliance and Audit functions is under the direct supervision of the Local Remuneration Committee, which then makes recommendations to the Board of Directors of the Company.

- **Relevant Persons**

Variable remuneration of Relevant Persons is defined based on appropriate criteria to align the interests of the Relevant Persons and of the Company with that of the clients.

In order to do so, Fund Channel considers qualitative and quantitative criteria that encourage the Relevant Persons to act in the best interests of the client. Notably, qualitative criteria are sufficiently and clearly defined and documented to ensure that they are not being used to indirectly reintroduce quantitative commercial criteria that may create conflicts of interests or incentives that may lead relevant persons to favour their own interests or their firm's interests to the potential detriment of any client.

Moreover, the weights attributed to the criteria used to determine the remuneration should not be such that they render some of the criteria, especially qualitative ones, insignificant or that they give others, especially quantitative commercial ones, too much significance.

Finally, the Company considers ex-post adjustment criteria of the variable remuneration in their remuneration policies and practices in order to further discourage Relevant Persons to disregard client's interests or favour their own interests in order to attain short-term performance objectives. Such ex-post adjustment mechanisms are monitored by the local risk function and triggered in the events impacting the Company's or Relevant Persons' compliance with the applicable provisions under MiFID II and its delegated acts aiming at the fair treatment of clients and the quality of services provided to clients.

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

VI. TERMS OF PAYMENT

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 aiming to not affect Fund Channel's ability to ensure a sound capital base.

As per its section II and its self-assessment (see Appendix III), the Company is not eligible to apply the proportionality principle at institutional level. Therefore, it chooses to apply it at individual level, hence decides to waive pay-out requirements as per Article 38-22 of the LSF, on variable remuneration for its identified staff members whose variable remuneration is below €50,000 and does not represent ¼ of his/her total compensation.

Any MRT whose variable remuneration is below €50,000 and does not represent ¼ of his/her total compensation shall be referred to as a "**diminimis MRT**".

Nevertheless, and in order to comply and align with the remuneration policy of the Amundi Group, the variable remuneration will follow respective deferal rules for all members of staff as determined in the present section.

A. PAYMENT TERMS APPLICABLE TO STAFF OTHER THAN IDENTIFIED STAFF

While MRTs will follow specific deferral rules as defined under point B below, all employees of the Company are subject to the terms of payment herein, including deferrals, of which the proportion will depend on the level of their total variable remuneration attributed for a respective accrual / performance period.

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

It is reminded that non MRT population is not concerned by the deferral and instrument requirements as provided by the LSF.

- **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 LTI (i.e., which are performance shares) awarded are taken into account for the calculation of the portion of variable remuneration to be deferred;

- Performance shares will be delivered to the beneficiaries at the end of the vesting period (vesting in a single tranche – i.e., cliff vesting). 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 (gradual 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.

For the sake of clarity, any form of variable remuneration is considered for the purpose of calculating the bonus cap as provided under section V.A.1.c.

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:

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

Not meeting these conditions can result in a decrease or loss of the deferred award (cf. Appendix I of the Group Policy).

The collective performance conditions are specific to each plan. They are defined in the deferred bonus plan rules and in the share-based plan rules and reflect the deferment duration and nature of the incentive plan.

2. PAYMENT IN THE FORM OF INSTRUMENTS

For any non-MRT population (including a diminimis MRT), the Company will pay the variable remuneration (non-deferred bonus, vested deferred bonus) in cash.

Details of the deferrals and instrument application for non-MRTs are detailed under Appendix I of the Policy.

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 of the Company 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

For the Identified Staff (i.e., MRTs) as defined in section III. of this remuneration policy, variable remuneration will be paid in accordance with the principles and conditions as set-out in this section.

Total annual VR	Total annual VR deferred		Non-deferred proportion	
	Percentage	Amount	Percentage	Amount
Up to 50k[1]	0%	EUR 0	100%	Up to EUR 50k
EUR 50k-600k	50%	EUR 25k – EUR 300k	50%	EUR 25k – EUR 300k
> =EUR 600k	60%	> EUR 360K	40%	> EUR 240K

➢ **Practical implementation:**

The percentage is applied to the entire annual variable remuneration granted (application “from the first euro”). The exception of the application of this scale as provided under section VI. A. above (i.e., € 15 000 exception) does not apply to the respective MRT population.

Subsequently, the terms of payment for the respective MRT population is as follows:

- Up to 100 % of the total variable remuneration shall be subject to **malus or clawback arrangements**.
- the **deferral percentage** is applied to the entire annual variable remuneration granted (application “from the first euro”).
- **50%** of the total variable remuneration will be **deferred for a period of three years**.
- 100% of the variable remuneration deferred, and therefore **50% or more of the total variable remuneration** is deferred in the form of **instruments (or instrument like)** as defined below.
- the deferred variable remuneration will **either vest on a pro-rata or cliff basis depending on its attribution metrics**, as specified below. No quicker vesting is applied.
- The deferred variable remuneration in instruments will be subject to a **retention period of one year**, following the acquisition of ownership rights (i.e., vesting). **Whereas**, the retention period is to be understood, as the period of time after the vesting of instruments which have been awarded as variable remuneration during which they cannot be sold or accessed.

In the event that the MRT benefits from the long-term incentive plan:

- The LTI (i.e., which are performance shares) awarded are taken into account for the calculation of the portion of variable remuneration to be deferred;

[1] Provided the diminims conditions is met.

- Performance shares will be delivered to the beneficiaries at the end of the vesting period (vesting in a single tranche – i.e., cliff vesting). 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 (gradual vesting);
- In the event that the long-term incentive is greater than the amount to be deferred, the LTI should be considered as covering the regulatory deferral requirements.

For the sake of clarity, any form of variable remuneration is considered for the purpose of calculating the bonus cap as provided under section V.A.1.c.

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

An employee who is considered an MRT, and who does not classify as a Diminimis MRT, 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.*

For the sake of clarifty and while the example above refers to a deferred bonus, it is to note, that such deferred bonus will be deferred in the form of instruments, as per regulatory standards and requirements.

1. CONDITIONS FOR FINAL VESTING

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

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

Not meeting these conditions can result in a decrease or loss of the deferred award (Cf. Appendix I of the group policy).

The collective performance conditions are specific to each plan. They are defined in the deferred bonus plan rules and in the share-based plan rules and reflect the deferment duration and nature of the incentive plan.

2. PAYMENT IN THE FORM OF INSTRUMENTS

Fund Channel uses for its deferred variable remuneration, the instruments provided by Amundi, namely a basket of Amundi funds and/or in some cases Amundi shares (*please refer to Appendix IV for further details*).

It is to note that while the Policy refers to a distinction between the deferred bonus and the LTI, the deferred bonus, is deferred in line with the principles above, and thus shall also be considered as a deferral in instruments (or equivalent), notably considering the respective risk aligment with the performance of respective Group instruments.

Indeed, to date Fund Channel, independently, does not issue any instrument provided for in the provisions of article 38-22 paragraph 3 point 1 a) LSF. Thus and in accordance with article 38-22 paragraph 3 point 2, of the LSF, Fund Channel has requested the approval of the CSSF, concerning the use of Amundi Group instruments, as mentioned above.

Indeed, it is estimated that in view of belonging to the Amundi Group, the use of such instruments would make it possible to fulfill the objectives and philosophy of the law, namely would allow:

i. an alignment with the long-term objectives, strategy, values and interests of Fund Channel, as well as its shareholders, and

ii. a sound and effective risk management, which promotes such management, and which does not lead to excessive risk-taking.

Details of the deferrals and instrument application for MRTs are detailed under Appendix I of the Policy.

3. MALUS AND CLAWBACK PROVISIONS

Up 100 % of the total variable remuneration shall be subject to malus or clawback arrangements.

- **Malus adjustments**

A Malus is an arrangement that permits the Company to reduce the value of all or part of deferred variable remuneration based on ex-post risk adjustments before such variable remuneration has vested.

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

Subsequently, a Malus can be applied to unvested deferred awards granted in prior years in circumstances including:

- 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.

Variable remuneration awards will be subject to malus during their vesting periods, and notably, for a period of time covering at least the deferral and retention periods.

- **Clawback adjustment**

A Clawback is an arrangement under which the staff member has to return ownership of an amount of variable remuneration paid in the past or which has already vested, to the Company under certain conditions.

In the case of particularly serious facts and when the facts are established after the payment dates, the Amundi Group reserves the right, subject to any local law in force, to demand the return of all or part of the sums already paid.

This restitution may be made if it is proven that the employee has disregarded the applicable rules on risk-taking and that he or she has been convicted under the terms of a court decision that has become final or sanctioned by a regulator following intentional, fraudulent or seriously negligent conduct that has resulted in or contributed to significant losses for the establishment in which he or she carries out or was carrying out his or her activity or for the Group.

This right is exercisable for a period of five years following the last date of payment of the deferred compensation (whether cash, indexed cash or shares) or for such other period as may be adjusted under applicable local law.

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). Notably, a dedicated Committee, set up at group level, called the “Risk Remuneration Committee” and composed of the Human Resources and the control functions (Risk, Compliance, Audit, Security) monitors Identified Staff in terms of risk and compliance behaviors. To this ends, the Risk Remuneration Committee collaborates wih local risk and compliance function.

The Group Risk Remuneration Committee’s recommendation is forwarded to the Amundi General Management to be taken into account for both the allocation of any new awards and the vesting of the deferred bonus tranches. These provisions also apply to the awards and vesting of performance shares, where relevant.

VII. SPECIFIC REMUNERATION COMPONENTS AND LIMITATIONS

A. GUARANTEED REMUNERATION

1. SIGN-ON BONUS

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

Subsequently, guaranteed variable remuneration, if ever awarded, shall:

- only be paid in very exceptional cases in relation to the hiring of new staff;
- be limited to the first year of employment (to be paid at a future date that does not exceed any 12-month period); and
- only be attributed, provided that the Company has a sound and strong capital base.

Where applicable, such award may be excluded from the bonus cap as provided under section V.A.1.c. of the Policy. The underlying philosophy of sign-on bonuses may be to attract talent at the Company.

2. EARLY TERMINATION

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

The company has set up specific provisions in case of termination / resignation and they are specified in the deferred bonus plan rules and in the LTI plan rules.

B. 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.

C. DISCRETIONARY PENSION PLAN

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

D. RETENTION BONUS

Fund Channel does not offer retention bonus.

E. PROHIBITION OF CIRCUMVENTION MEASURES

Identified 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 the LSF or Regulation (EU) No 575/2013.

VIII. GOVERNANCE

A. IMPLEMENTATION OF THE POLICY

1. LOCAL INSTANCES

A. BOARD OF DIRECTORS OF FUND CHANNEL (“BOARD")

The Board of Directors of Fund Channel is responsible for (i) adopting and maintaining the Policy, as reviewed by the local Remuneration Committee, while ensuring compliance with local regulatory obligations, which exercises competent and independent judgement on remuneration policies and practices and on the incentives created for risk, capital and liquidity management and (ii) overseeing Policy’s implementation to ensure it is fully operating as intended.

The Board also approves any subsequent material exemptions made for individual staff members and changes to the remuneration policy and carefully consider and monitor their effects.

To this effect the Board is responsible for :

- adopting and maintaining the remuneration policy, and overseeing its implementation to ensure it is fully operating as intended.

- approving any subsequent material exemptions made for individual staff members and changes to the remuneration policy and carefully consider and monitor their effects. Any exemptions should not be based on gender considerations or other aspects that would be discriminating, should be well reasoned and should be in line with the remuneration requirements under national law;
- ensuring that the Company's remuneration policies and practices are appropriately implemented and aligned with its overall corporate governance framework, corporate and risk culture, risk appetite and the related governance processes. This shall be considered also within the Amundi Group context;
- working closely together with the Group and Local Remuneration and the Risk Committees to ensure that the remuneration policy is consistent with and promotes sound and effective risk management. Subsequently, the Board takes into account the input provided by all competent corporate functions and bodies (e.g. committees, control functions, human resources, legal, strategic planning, budget function, etc.) and business units about the design, implementation and oversight of the Company's remuneration policy;
- determining and overseeing the remuneration of the members of the management function;
- approving the MRT and Relevant Persons list, prepared locally with the inputs of the HR, Risk and Compliance function, and with the Amundi group guidance;
- approving or overseeing any exclusions from the qualification as MRT pursuant to the MRT Regulation (including the exemption for staff whose remuneration would require an identification based on a quantitative criteria but who do not have a material impact on the risk profile of the Company).

The Board has collectively adequate knowledge, skills and experience with regard to remuneration policies and practices as well as of incentives and risks that can arise therefrom. This includes knowledge, skills and experience with regard to the mechanisms for aligning the remuneration structure to Fund Channel' risk profile and capital structure.

B. LOCAL REMUNERATION COMMITTEE ("LOCAL REMCO")

In order to comply with local requirements, Fund Channel has decided to set up a Local Remuneration Committee ("Local Remco"), which acts as an advisor to Fund Channel Board, who is responsible to validate its decisions.

The Local Remco is composed of members of the management body that do not have any executive function The remuneration committee must be gender balanced.

The chair and the majority of members of the remuneration committee should be independent.

The Local Remco works in close collaboration with the Group Remco and Risk Remuneration Committee.

The Local Remco is responsible for :

- the preparation of decisions on remuneration to be taken by the Board of Directors of the Company, in particular regarding the remuneration of the management body in its management function as well as of other identified staff;
- providing its support and advice to the Board of Directors of the Company on the design of Policy, including that such Policy is gender neutral and supports the equal treatment of staff of different genders;
- supporting the Board of Directors of the Company in overseeing the remuneration policy, practices and processes and the compliance with the remuneration policy and the requirement for the remuneration policy to be gender neutral;

- reviewing the appointment of local external remuneration consultants that the Board of Directors of the Company may decide to engage for advice or support;
- ensuring the adequacy of the information provided to Amundi on the Policy and and practices;
- assessing the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall remuneration policy is gender neutral, is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values, risk culture and the long-term interest of Fund Channel;
- assessing in coordination with the group central instances the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements;
- reviewing a number of possible scenarios – provided by the Group Risk Remuneration Committee - to test how the remuneration policies and practices react to external and internal events, and back-test the criteria used for determining the award and the ex poste risk adjustment based on the actual risk outcomes:
- overseeing the total remuneration of senior officers in the local Risk and Compliance and Audit functions.

C. LOCAL CONTROL FUNCTIONS

The local Control Functions of the Company provide input to, the Amundi Risk Remuneration Committee and the local Board in determining the overall remuneration strategy, in the context of the promotion of effective risk management.

The local Control Functions in particular take all necessary measures in order to ensure the compliance of the present Policy with laws / circulars / directives.

The local Control Functions assist and inform on the definition of suitable risk-adjusted performance measures, as well as in assessing how the variable compensation structure affects the risk profile and culture of the Company. They will validate and assess risk adjustment data and consult the Board of Directors of the Company on these matters.

Going further they provide effective input in accordance with their roles into the setting of bonus pools, performance criteria and remuneration awards where those functions have concerns regarding the impact on staff behaviour and the riskiness of the business undertaken. They are also involved on an ongoing basis in the staff identification process in accordance with their respective roles.

D. LOCAL HR FUNCTION

The local HR Function of the Company assist the local Remuneration Committee, the Amundi Risk RemunerationCommittee, the local Control functions and the local Board in all matters of the remuneration policy from a talent and HR perspective.

Notably, the HR function participates and informs on the design and the evaluation of the Policy for the Company, including the remuneration structure, remuneration levels and incentive schemes, staff identification, in a way that will not only attract and retain the staff but will also ensure that the Policy is aligned with the Company's risk profile.

Furthermore, and within the context of gender neutrality, the HR function shall together with the Local Remuneration Committee conduct an annual assessment and monitoring of the development of the gender pay gap for:

- MRTs, excluding members of the Management;
- The Management; and
- other staff.

HR shall document the outcomes of the respective monitoring and pay gap assessment. In case of gaps, HR shall document the roots of potential gaps, and submit such analysis to the Board of Directors of the Company. On that basis, the Board shall take necessary and appropriate actions, thus ensuring Fund Channel operates a gender-neutral Policy.

2. GROUP INSTANCES

A. AMUNDI GROUP 'S REMUNERATION COMMITTEE ("GROUP REMCO" OR "COMMITTEE")

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 (Appendix IV: Groupü Considerations).

B. GROUP REMUNERATION RISK COMMITTEE

A dedicated Committee called the "Risk Remuneration Committee" brings together the Group Human Resources function and the Group control functions (Risk, Compliance, Audit, Security). (Appendix IV: Groupü Considerations).

All employees with significant impact on the risk profile of the respective management company and/or managed funds is monitored individually by the control functions in terms of risk and compliance behaviors. This monitoring is periodically reviewed by the Risk Remuneration Committee.

B. MONITORING OF IMPLEMENTATION

The remuneration policies and procedures design and implementation are subject to a central and independent review done by the Amundi internal audit function, as agreed by the directors of Fund Channel. The internal audit plan includes an annual audit of compliance with Circular 20/758, including remuneration policy.

The internal audit will ensure that the remuneration policy has been reviewed at least annually by the Board of Directors of the Company and that the principles and associated procedures have been implemented accordingly, and will report on these results to the Board of Directors of the Company. 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. CONFLICT OF INTEREST

As to ensure appropriate remuneration practices and avoid potential conflict of interest, the Company has set up governance around the Policy implicating several corporate functions whereby those conflicts of interest will be identified and mitigated appropriately by using appropriate control mechanisms and internal reporting systems.

Notably, the design of the remuneration policies and practices applicable to management body and senior management does not compromise their objectivity and independence.

In addition and in line with MiFiD II regulation, suitable and auditable measures are taken to ensure the review and/or modification of the characteristics of the remuneration policies and practices to prevent potential risks linked to rules of conduct and conflict of interests. For that purposes, the local Risk & Compliance function considers all relevant factors such as, but not limited to, the role performed by relevant persons, the type of products offered, and the methods of distribution (e.g. advised or non-advised, face-to-face or through telecommunications/electronic communications).

IX. 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 with the input and collaboration of respective expert functions as described under section VIII above, will prepare and publish the respective information, in line with Article 51 of Regulation (EU) 2019/2033, regarding Fund Channel's remuneration policy and practices, including aspects related to gender neutrality and the gender pay gap, for those categories of staff whose professional activities have a material impact on the Company.

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

Furthermore, the Company shall comply with article 5 of the European Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. To this end the Company includes (i) in the present Policy information on how remuneration practices are consistent with the integration of sustainability risks, and (ii) shall publish that information on its website.

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:
SUMMARY OF APPLICABLE PROVISIONS REGARDING VARIABLE REMUNERATION

A. NON-DEFERRED POPULATION

Population	Total VR level	Deferral [6]	Deferral schedule	Indexation	Presence condition	Individual vesting	Collective vesting
Non-MRTs	< EUR 100K	0%	None	N/A	No	None	None
Diminims MRT	= < EUR 50K [1]	0%	None	N/A	No	None	None

B. DEFERRED POPULATION: NON-MRT

Population	Total VR level	Deferral [6]	Deferral schedule	Indexation	Presence condition	Individual vesting	Collective vesting
Non-MRTs without LTI [2]	EUR 100 - 400k	40%	Bonus: 3 equal tranches over 3 years	None	Yes	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 and local Board.	[3]
	EUR 400 - 600k	50%	Bonus: 3 equal tranches over 3 years	None			[3]
	> EUR 600k	60%	Bonus: 3 equal tranches over 3 years	None			[3]
Non-MRTs with LTI	EUR 100 - 400k	40%	Bonus: 3 equal tranches over 3 years	None	Yes	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 and local Board.	[3]
			LTI: 1 tranche at the end of 3 years	Amundi share price			[4]
	EUR 400 - 600k	50%	Bonus: 3 equal tranches over 3 years	None			[3]
			LTI: 1 tranche at the end of 3 years	Amundi share price			[4]
	> EUR 600k	60%	Bonus: 3 equal tranches over 3 years	None			[3]
			LTI: 1 tranche at the end of 3 years	Amundi share price			[4]

It is reminded that non MRT population is not concerned by the deferral and instrument requirements requirements as provided by the LSF and / or IFD.

C. DEFERRED POPULATION: MRT

Population	Total VR level	Deferral [6]	Deferral schedule	Indexation	Presence condition	Individual vesting	Collective vesting	Retention period	Malus & Clawback
Deferred population									
MRTs without LTI [2]	EUR 50 - 600k	50%	Bonus: 3 equal tranches over 3 years	Basket of funds [5]	Yes	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 and local Board.	[3]	1 year after vesting	Malus (adjustment) & Clawback possible
	> EUR 600k **or** member of the Executive Committee	60%	Bonus: 3 equal tranches over 3 years	Basket of funds [5]			[3]		
MRTs with LTI	EUR 50 - 600k	50%	Bonus: 3 equal tranches over 3 years	Baskets of funds [5]	Yes	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 and local Board.	[3]	1 year after vesting	Malus (adjustment) & Clawback possible
			LTI: 1 tranche at the end of 3 years	Amundi share price			[4]		
	> EUR 600k **or** member of the Executive Committee	60%	Bonus: 3 equal tranches over 3 years	Basket of funds [5]			[3]		
			LTI: 1 tranche at the end of 3 years	Amundi share price			[4]		

[1] Any MRT whose variable remuneration is below €50,000 and does not represent ¼ of his/her total compensation

[2] The deferral 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, but only applicable for non-MRT population. Below this amount, the deferral is cancelled and variable remuneration is paid in full.

[3] 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.

[4] Formula based decrease or increase of number of awarded shares based on achievement of group level KPIs as described in the plan rules.

[5] Per tranches (Calculated on total individual variable pay).. Selection of the basket of funds: One basket representative of Amundi,

APPENDIX II:
MRT AND RELEVANT PERSONS IDENTIFICATION CRITERIA AND LIST

For the purpose of identifying its MRTs the Company considers the following criteria. The criteria used are based on the MRT Regulation, and the LFS.

Attached is the MRT and Relevant Persons list and corresponsing criteria used.

With regard to the quantitative identification critiera, any exclusion of MRTs, falling under the request for approval requirements, follows the modalities as prescribed by the LFS and MRT Regulation. Notably:

- under Article 30 (1) of the IFD (i.e., employees with an overall remuneration equal to at least the lowest remuneration received by senior management or risk takers), shall be duly documented and justfied, notably, demonstrating that the respective employee, has no material impact on the risk profile of the Company or of the assets it manages.
- under or 4.1 of the MRT Regulation (i.e., employees with and overall remuneration equal to or grater than EUR 500 000, or equal to or greater than the lowest total remuneration awarded to employees falling under Article 3, points (a), (c), (d), (h) or (i) of the RTS), with at least the lowest remuneration received by senior management or risk takers), shall be duly documented and justified, notably, demonstrating in line with Article 4.3 of the MRT Regulation, that the respective employee, has no material impact on the risk profile of the Company or of the assets it manages.
- under Article 4.4 of the MRT Regulation (employees with an overall remuneration of EUR 750 000 or more), shall be subject to the approval by the CSSF.
- under Article 4.5 of the MRT Regulation (employees with an overall remuneration of EUR 1 000 000 or more), shall be subject to the approval by the CSSF, which the latter shall only approve such exception after informing the EBA. In such a case the Company shall demonstrate the execptional circumstances of such remuneration.

APPENDIX III: PORPORTIONALITY ASSESMENT

A. OVERVIEW

Under the conditions outlined under Articles 32(4) and 32(5) of the IFD, and as transposed in Article 38-22 paragraphs 3 and 4 of the LSF, an institution may choose to waive certain of its obligations with regard to the pay-out process. This principle is known as the "proportionality principle".

To this end, and in accordance with paragraph 79 of the EBA Guidelines, when applying remuneration requirements, investment firms should take into account their (i) size, (ii) internal organisation and (iii) the nature, scope and complexity of their activities. No automatic application of the principle can be made without justification. Thus, in order to assess its eligibility for the principle of proportionality, the investment firm must carry out a detailed self-assessment taking into account aforementioned criteria.

With respect to:

1. THE SIZE

Article 38-22(3) of the LSF considers investment firms whose on-balance sheet and off-balance sheet assets are, on average, less than €100,000,000 over the four-year period immediately preceding the financial year as eligible for the principle of proportionality. However, Article 38-22 paragraph 4 of the LSF allows this threshold to be increased to €300,000,000 provided that the following criteria are met:

1) the investment firm is not, in Luxembourg, one of the three largest investment firms in terms of total value of assets;
2) the investment firm is not subject to obligations or is subject to simplified obligations in relation to recovery and resolution planning in accordance with Articles 59-26 of this Law and with Articles 5 and 6 of the Law of 18 December 2015 on the failure of credit institutions and certain investment firms, as amended;
3) the size of the investment firm's on and off-balance sheet trading-book business is equal to or less than 150 million euros;
4) the size of the investment firm's on and off-balance sheet derivative business, as defined in point (29) of Article 2(1) of Regulation (EU) No 600/2014, is equal to or less than 100 million euros;
5) the non-SNI IFR investment firm in relation to which this provision is made use of does not meet two or more of the following criteria:
    a) the total value of assets of the invetment firm exceeds 5 billion euros;
    b) the investment firm is the ultimate parent undertaking of the group to which it belongs
    c) the investment firm is the parent undertaking of a significant number of subsidiaries established in other countries;
    d) the nvestment firm is the parent undertaking of a significant number of subsidiaries established in other countries.

2. INTERNAL ORGANISATION AND THE NATURE, SCOPE AND COMPLEXITY OF THE ACTIVITIES

Paragraph 83 of the EBA Guidelines considers a non-exhaustive list of criteria for the assessment of eligibility for the principle of proportionality.

On the basis of the above-mentioned legal and regulatory provisions, Fund Channel considered that it could justify the application of the remuneration principles in a manner and to the extent appropriate to its size, internal organisation and the nature, the scope and complexity of its activities, based on the following self-assessment analysis.

B. APPLICATION TO FUND CHANNEL

1. ITS SIZE

Fund Channel presents a valuation of its on-balance sheet and off-balance sheet assets, on average over the four-year period immediately preceding the financial year (i.e., 2023), of more than €100,000,000.

Therefore, Fund Channel has assessed its eligiblity under the derogation given in Article 38-22 (4). However, even if the 4 last conditions were met, the first one was not fulfilled. Indeed,

1) Fund Channel has been considerd as **one of the three largest investment firms in terms of total value of assets in Luxembourg**;
2) Fund Channel shall not be subject to any obligations or simplified obligations with regard to recovery and resolution planning in accordance with the Law on the Failure of Credit Institutions and Certain Investment Firms;
3) The size of Fund Channel's on- and off-balance sheet trading book is less than EUR 150,000,000;
4) The volume of on- and off-balance sheet derivative activities of Fund Channel is less than EUR 100,000,000;
5) Fund Channel does not meet two or more of the following criteria, including:
    a) The total value of Fund Channel's assets does not exceed €5 billion;
    b) Fund Channel is not the ultimate parent company of the group of which it is, if any, a part;
    c) Fund Channel is not the parent company of a significant number of subsidiaries established in other countries;
    d) Fund Channel shares are not admitted to trading on a regulated market.

2. ITS INTERNAL ORGANISATION AND THE NATURE, SCOPE AND COMPLEXITY OF ITS ACTIVITIES

In accordance with paragraph 83 of the EBA Guidelines, Fund Channel considers that its organization, nature, scope and complexity of its activities are limited given that:

1) Fund Channel is a fund distribution platform providing contract facilitation, trailing commission collection, execution on investment funds services to its distributor and management company clients, but does not manage a trading book on their behalf;
2) Fund Channel does not engage in portfolio management activities on its own account;
3) Fund Channel has no derivatives business;
4) The entity is a subsidiary of CACEIS and Amundi Luxembourg, which are themselves part of the Agricole Group;
5) Fund Channel has only one subsidiary in Switzerland;
6) Fund Channel is not a company listed on a regulated market;
7) Fund Channel operates only in B2B relationships in a dozen different countries in Europe and Asia;
8) Fund Channel benefits from the transitional derogation provided for in Article 57(3)(a) of Directive 2019/2034 allowing it to benefit from the capital requirement equal to twice the own funds requirement provided for in the CRR Regulation, until June 2026;
9) The capital of Fund Channel shall consist of Tier 1 (CETd1) capital, share capital and retained reserves.

C. CONCLUSION

Based on the above self-assessment, **the condition laid down in Article 38-22(4)(1) LSF was not met** by Fund Channel**, it decides to** invoke **the principle of proportionality at the level of the individual,** this in connection with the provisions prescribed by Article 38-22 paragraph 3 LSF.

Namely, a person whose annual VR does not exceed 50,000 euros and does not represent more than a quarter of his total annual remuneration, will not be subject to the provisions of Article 38-22 paragraph 3 point 1 LSF.

Thus, anyone benefiting from the principle of proportionality at the individual level will be allocated their VR in cash.

The present analysis on the application of the proporitonality principle, will be maintained and updated on a yearly basis.

For this purpose the Company shall reach out annually to the CSSF to assess whever it is considered among one of the three largest investment firms in terms of total value of assets in Luxembourg.

APPENDIX IV:
GROUP CONSIDERATIONS

A. GROUP REMUNERATION POLICY (ATTACHED)

B. 2023-2024 KEY HIGHLIGHTS REGARDING THE REMUNERATION POLICY (AN APPENDIX IN GROUP REMUNERATION POLICY)

C. IFR/IFD ADDENDUM OF AMUNDI GROUP REMUNERATION POLICY (ATTACHED)