

2024

**REGULATORY INFORMATION
DOCUMENT FOR INVESTMENT FIRMS**

Fund Channel

This document provides the regulatory governance and risk management information for Fund Channel S.A. in accordance with Part 6 of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms.

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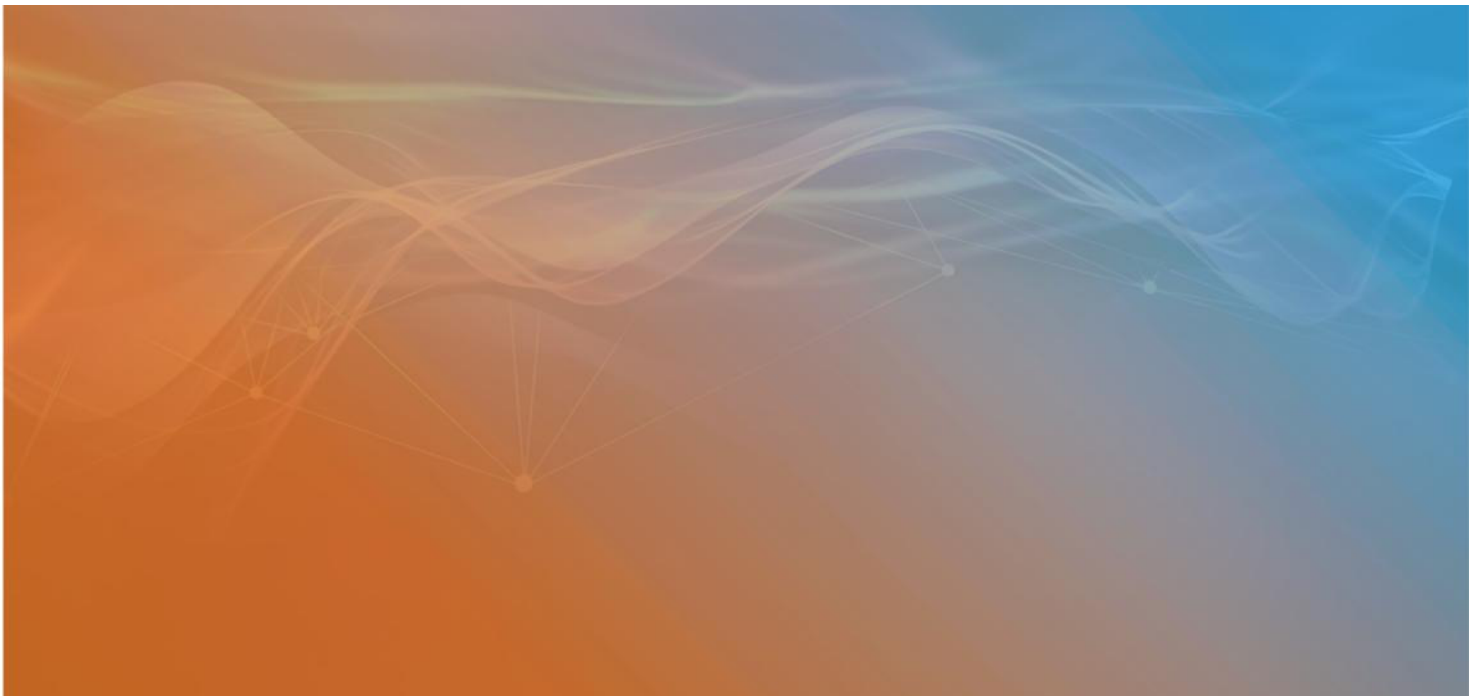
1. PRUDENTIAL REGULATION FOR INVESTMENT FIRMS (IFR)

The prudential regulations applicable to investment firms have been amended by the so-called “IFR/IFD” rules. These are based, on the one hand, on Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms (‘IFR’) and, on the other hand, on Directive 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms (‘IFD’). The latter was transposed into Luxembourg law in the Financial Sector Act of 5 April 1993 on 21 July 2021.

These texts provide for a categorization of institutions according to different criteria, data collection, and requirements in terms of minimum capital, risk monitoring, liquidity and publication in accordance with Article 46 of Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019.

To adapt this regulation to the size and challenges of each investment firm, three classes of investment firm have been identified.

Fund Channel S.A. is classified as a mid-cap (or Class 2) investment firm, and is largely subject to IFR/IFD obligations at statutory level. It does not fall under the exemptions in Article 12 (‘small and non-interconnected investment firms’) of the Regulation.



2. PRESENTATION OF FUND CHANNEL S.A.

Fund Channel S.A., a joint venture of Amundi (2/3) and CACEIS Bank (1/3), is a B2B fund distribution platform currently operating in a dozen of different countries in Europe and Asia. Facilitating the distribution of funds from asset management companies to distributors has been the core business of the company since its creation in 2005.

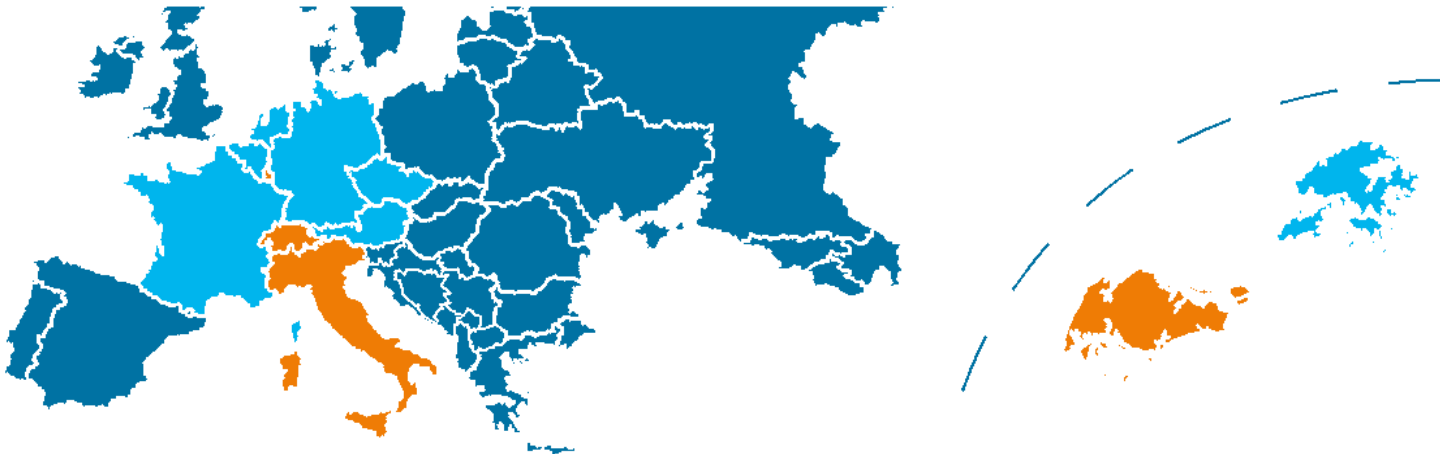
Combined with our local presence in Luxembourg, Switzerland, Singapore and Italy, Fund Channel offers an open architecture with a single entry point that covers the entire value chain.

Because we have chosen an ecosystem of digitized services connecting all facets of fund distribution activities, Fund Channel, as a key player to the

business, offers enhanced services and tools to customers with the aim of making fund distribution easier.

2.1. KEY FIGURES

Fund Channel has offices in 4 countries: Luxembourg (Head Office), Switzerland (Subsidiary), Singapore (Branch) and Italy (Representative Office). Fund Channel operates with asset management companies in 21 countries.



LUXEMBOURG

Fund Channel S.A. (HQ)

106
employees

€26.0 million
revenue

€5.4 million
pre-tax operating income

€1.4 million
income taxes paid

SWITZERLAND

Fund Channel (Suisse) S.A.

1
employee

€0.6 million
revenue

€271,670
pre-tax operating income

€115,058
income taxes paid

SINGAPORE

Fund Channel S.A.
(Branch)

1
employee

ITALY

Fund Channel S.A.
Representative Office

1
employee

A 360-DEGREE MODULAR SERVICE ECOSYSTEM AROUND THE DISTRIBUTION PLATFORM

Fund Channel provides a unique combination of business models and innovative services to facilitate fund distribution, strengthen transparency, and improve processes both asset managers and fund distributors.

Awarded as the best international B2B platform in Europe in 2022, 2023, 2024 and 2025 (Platforum Survey), the platform is a crucial to its shareholder's strategy.

Through one single agreement, clients benefit from a full 360° ecosystem marketplace across the entire value chain of the fund distribution including all the legal, regulatory, commercial, operational and technological infrastructure fully dedicated to end-to-end solutions.

This 360° ecosystem is synthetised below and available through our digital platform and our catalog of APIs:



• Fund dealing, RTO & Custody

Since July 2021, fund dealing and custody service has been integrated to strengthen its all-in-one ecosystem. A straight-through processing from end-to-end; orders sent directly to Fund Channel to take care of the execution and the settlement, with an increasing level of automation is the process:

- » RTO & Execution on target funds (Mutual Fund, Hedge Fund, ETF);
- » Innovative solutions: Fractioning of ETF, rebalancing between funds;
- » Custody & cash management.

• Fund Distribution

An end-to-end fund distribution and oversight service, accessible to Asset Managers (for 100% of their distribution network) and distributors (for 100% of their asset manager network):

- » Contract management & regulatory duties; Distribution revenues (rebates);
- » Oversight services (KYC & KYD due diligence, counterparties risk assessment)

Our clients benefit from

- » Best in-class rebates collection process: providing flexibility to add the asset managers choice, benefit from negotiated conditions with asset managers and remain fully transparent in the rebate negotiation process as well as on the reconciliation process;
- » A one stop shop for distribution management: centralising the contract management to simplify access to a large distributors network;
- » A centralised and simplified compliance process: reducing the AML and distribution-related risk with best-in-class digital tools.

• Investment solutions

Dedicated solutions for sales, fund selection, advisory teams and IFAs:

- » Portfolio analysis (assets allocation, ESG, Risk, Performances, etc...);
- » Portfolio optimisation and investment proposal tool;
- » Fund selection tool for eligibility and suitability;
- » Global investment solutions for our clients distributor;
- » Portfolio modeling tool set for fund selection units;
- » Sub-advisory platform.

• Market Intelligence

A comprehensive set of tools for market intelligence:

- » One-stop shop for distribution analysis (type of distributor, asset classes, risk, geography, fees...)
- » with tailor-made monitoring solutions;
- » Set of tools to study market trends, assess competitive positioning, product strength and sales opportunities;
- » Market watch capabilities from news flow to trainings.

In February 2024, Fund Channel launched an enhanced digital platform aimed at improving customer experience. This online interface integrates all core business lines dedicated to distributors and asset managers through one-single entry point, i.e. Fund Distribution, Dealing & Custody, Market Data, Investment Solutions, and Market Intelligence. The platform will continue to evolve along with Fund Channel's service offering.

The advantages of the new platform are:

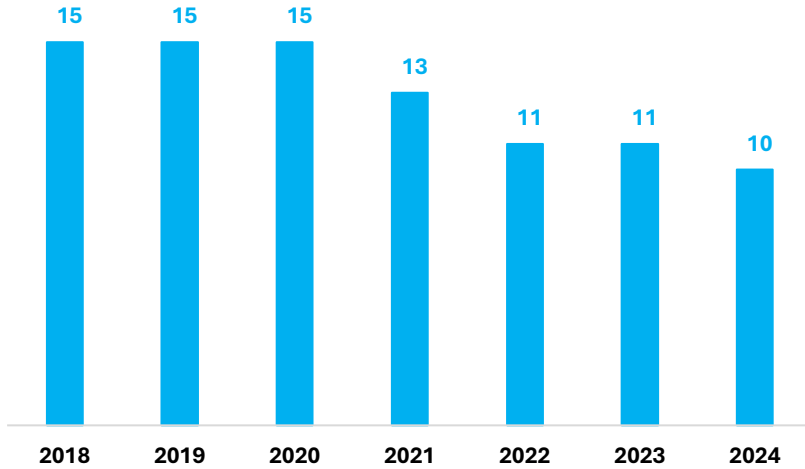
- » A digital one-stop shop for fund distributors and asset managers
- » An intuitive handling and user experience
- » White-labelling ready
- » Data and analytics access

* "Amundi Investment Solutions is a Simplified Joint Stock Company (SAS) with share capital of €1,143,615,555. Approved by the Autorité des Marchés Financiers under No. GP 04000036 as a portfolio asset management company, RCS PARIS 437 574 452, whose registered office is located at 91-93, boulevard Pasteur, 75015 Paris — France. Amundi Investment Solutions is an indirect shareholder of Fund Channel SA and is the legal entity that offers and provides Investment Solution services.

A SOUND FINANCIAL STRUCTURE

Fund Channel S.A. (CET1)

(€ million)



CAPITAL RATIO FUND CHANNEL S.A.
(in % end 2024 (IFR))

194%

EQUITY FUND CHANNEL S.A.
(CET 1) end 2024 (IFR)

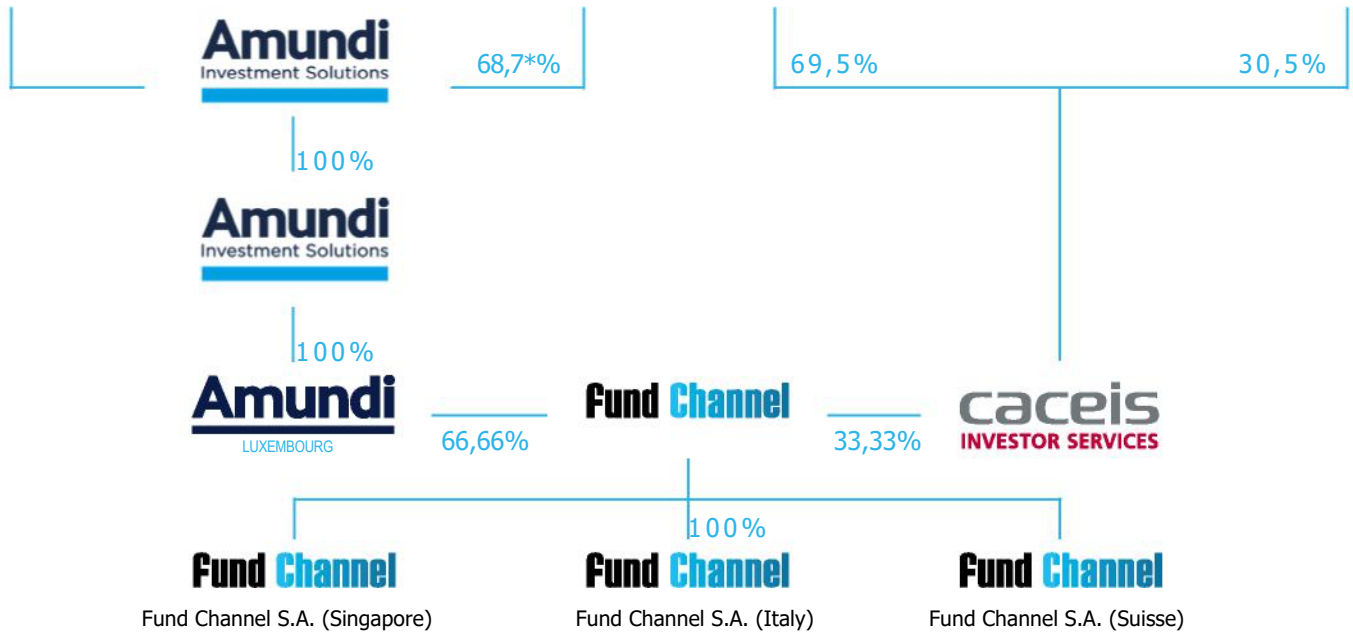
10.13 M EUR*

* The decrease in CET1 is due to an increase in the amount of intangible assets

2.2. SHAREHOLDERS

OTHER

Public (floating) 28.3%
Employees & Treasury share 3.1%



*Capital distribution as of 2024/12/31

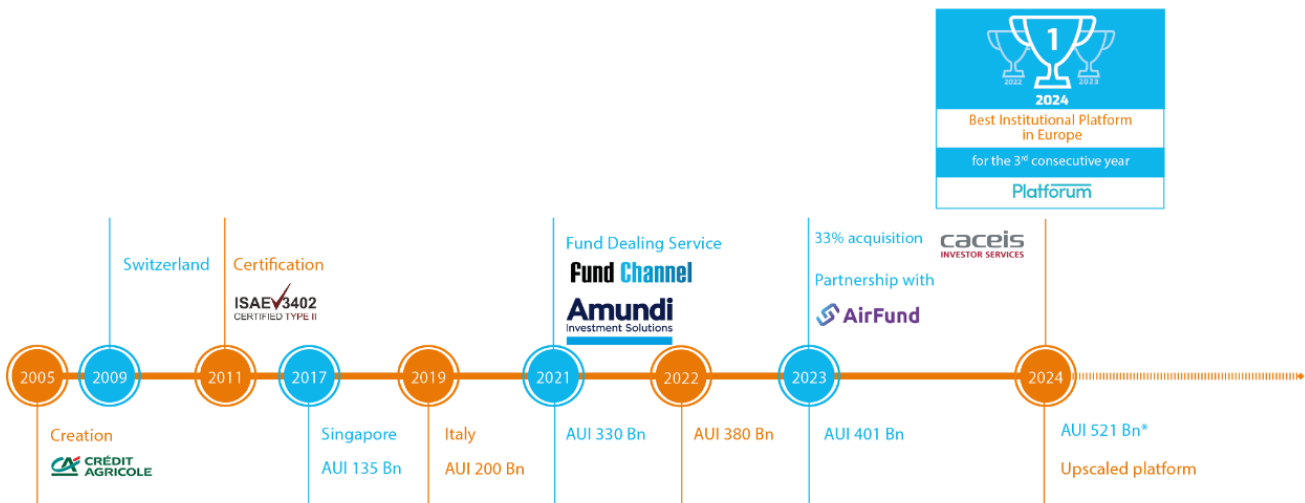
Amundi is the holding company of the Amundi Group. It is majority owned by the Crédit Agricole Group (68.7%). It carries out its asset management activities mainly through subsidiaries in France and abroad, joint ventures (particularly in Asia) or other entities.

On December 31, 2024, the Crédit Agricole Group held 68.7% of the capital, the free float represented 28.3%, employees and Treasury share 3.1%. No shareholder has double voting rights.

2.3. BACKGROUND

Since 2005, Fund Channel has been providing innovative services to facilitate fund distribution, enhance transparency and improve processes for fund management companies and fund distributors with the aim of improving their relationships with clients, partners and regulators.

- **2005:** creation of Fund Channel S.A. a qualified investment firm for the distribution of mutual funds and organized into a BtoB fund distribution platform with an open architecture,
- **July 1, 2009:** BNP Paribas Asset Management Holding S.A. joins Fund Channel S.A.'s shareholding with AMUNDI Luxembourg through a joint venture between AMUNDI Luxembourg (50.04%) and BNP Paribas Asset Management Holding S.A. (49.96%),
- **September 15, 2009:** creation of the Swiss subsidiary wholly owned by Fund Channel S.A.,
- **2011 :** first ISAE3402 Type II certification,
- **February 17, 2017:** establishment of the Singapore branch,
- **April 25, 2019:** creation of the Italian representative office,
- **December 18, 2020:** buyout by AMUNDI Luxembourg of all shares of BNP Paribas Asset Management Holding in Fund Channel S.A., which becomes a wholly-owned subsidiary of AMUNDI Luxembourg again,
- **May 12, 2021:** obtained licenses from the Ministry of Finance to carry out Reception, Transmission (RTO), Order Execution and Safekeeping activities,
- **June 30, 2021:** signing of a service contract with CACEIS Bank Luxembourg Branch, governing the outsourcing of the RTO service and safekeeping services.
- **September 2022:** Amundi and CACEIS announce the strengthening of their strategic partnership to accelerate Fund Channel development. Under the terms of this agreement, CACEIS will acquire 33.33% of Fund Channel, with Amundi remaining the majority shareholder.
- **April 24, 2023:** CACEIS BANK has purchased 33.1/3% shares of Fund Channel S.A..
- **November 2023:** New partnership with the AirFund platform to enable Fund Channel expand its service offering to private assets.
- **October 2024:** Launch of Private Assets service



3. GOVERNANCE

7 MEMBERS OF THE BOARD OF DIRECTORS ON 31/12/2024

Pierre JOND
Chair of the Board of Directors
since 2023
CEO Amundi Luxembourg

Pierre-Adrien DOMON
Managing Director
CEO Fund Channel S.A.
since 2020

Matthieu GUIGNARD
Director
since 2022
Global Head of Services and Solutions

Arnaud FRICAUDET
Board Member of Fund Channel
since April 2023
CEO Amundi Technology

Joseph SALIBA
Board Member of Fund Channel
since April 2023
Deputy CEO CACEIS Bank

Philippe BOURGUES
Board Member of Fund Channel
since April 2023
Country Managing Director CACEIS Bank
Luxembourg Branch

Olivier RENAULT
Independent Board Member of Fund Channel
since April 2023

5 MEMBERS OF THE EXECUTIVE COMMITTEE ON 31/12/2024

Pierre-Adrien DOMON
Managing Director
CEO Fund Channel S.A.
since 2020

Fabien MARBAT-MILAN
Deputy CEO Fund Channel S.A.
Since March 2024

Vincent LE MEUR
CTO Fund Channel S.A.
since 2022

Michaël MARTINEAU
COO Fund Channel S.A.
since 2021

Régis VEILLET
Head of Business Development Fund Channel S.A.
since 2021

3.1. THE BOARD OF DIRECTORS

The Board of Directors ("Board") is composed of three members from the Amundi Group, appointed by the Ordinary General Meeting of Shareholders for a term ending at the next General Meeting of shareholders.

At December 31, 2024, the membership was as follows:

Term of office of the members of the Board of Directors

		Age	Gender	Nationality	Number of terms	Start of term	End of term	Years of presence on Board
Chair of the Board of Directors	Pierre JOND CEO Amundi Luxembourg	59	M	French	10	2023	AGM 2025	2
	Pierre-Adrien DOMON CEO Fund Channel S.A.	44	M	French	3	2020	AGM 2025	5
Managing director	Matthieu GUIGNARD Global Head of Solutions & Services & Solutions Amundi Group	53	M	French	1	2021	AGM 2025	4
	Arnaud FRICAUDET CEO Amundi Technology	53	M	French	3	2023	AGM 2025	2
	Joseph SALIBA Deputy CEO CACEIS Bank	67	M	Canadian and French	5	2023	AGM 2025	2
	Philippe BOURGUES Country Managing Director CACEIS Bank Luxembourg Branch	54	M	French	7	2023	AGM 2025	2
	Olivier RENAULT Independent Board Member	61	M	French	4	2023	AGM 2025	2
Directors								

In accordance with the provisions of Article 11 of the by-laws, and in order to ensure the continuity of the Board of Directors, it meets once a quarter and at least four times a year. The Board of Directors may also meet on simple request from at least two of its Directors.

Quorums of attendance

The quorum of the Board of Directors is constituted by a majority of the Directors present or represented.

Directors who participate in the meeting of the Board of Directors by videoconference or by any other means of telecommunication shall be deemed present for the purposes of calculating the quorum and majority.

Quorums for votes

Decisions of the Board of Directors are taken by a simple majority of the members present (or represented), it being specified that the Chair of this Board has a casting vote in the event of a tie.

Circular resolutions are valid under Luxembourg law provided that the Directors' consent is unanimous. Decisions must therefore be signed in one or more documents by all Directors.

3.1.1. OPERATION

Term of office

In accordance with Article 12 of the by-laws, the three-year terms of office of directors are correctly allocated over time. The terms of office shall be renewable for an identical period. Reappointment is based on past performance.

Holding of other offices when Chair of the Board of Directors

The position of Chair of the Board of Directors cannot be combined with a position as an authorized director. The Chair of the Board of Directors is a member of the staff of the Amundi Group, who does not hold executive functions within the Company.

Statutory powers of the Chair of the Board of Directors

The Chair of the Board chairs the meetings of the Board of Directors and the General Shareholders' Meetings. The Chair shall have a casting vote in the event of a tie in the votes cast on decisions of the Board of Directors that do not require the unanimity of the Directors.

Objectives and responsibilities

Members' objectives and responsibilities are documented in Fund Channel's written mandates and policies. Members shall ensure that their position is and remains compatible with their other possible jobs and interests, in particular in terms of conflicts of interest and availability. To this end, they inform the Board of Directors each year of the positions they hold outside the institution by means of an inventory accompanied by an assessment of the risk of conflicts of interest and the risk of non-availability.

For the purpose of their appointment and renewal of their term of office, each member shall provide evidence of their good professional reputation, professional skills (knowledge, understanding and experience of the company's activities and the economic and regulatory environment in which it operates), their independence, and the time they can devote to their duties.

Training/Seminar

Traditionally, directors are offered training sessions throughout the year to improve both their knowledge and skills and to deepen their understanding of the Company's business lines and strategic challenges.

Evaluations

The Board carried out a formal self-assessment in 2023, covering individual and collective skills. The Board has practical and sufficient experience in distributing investment funds and more particularly in the retrocession of management fees. It shall also regularly evaluate the procedure governing its organization and operation.

3.1.2. ROLES AND RESPONSIBILITIES

The Board of Directors defines, oversees and is responsible for the implementation of a robust system of central administration, governance and internal control. It approves and adopts the company's strategy, guiding principles and policies in writing, after hearing the Managing Director, the Secretary General and the heads of internal control functions.

Implementation

The Board of Directors instructs the Authorized Management to implement the strategies and guiding principles through written internal policies and procedures.

At least once a year and for 2024, the Board of Directors has monitored, critically assessed and approved Fund Channel's internal governance framework, including the key strategies and guiding principles and their implementation within the institution, internal control mechanisms and the risk-taking and management framework.

The Board of Directors also promotes an internal risk culture that raises staff awareness of the requirements of sound and prudent risk management, fosters a positive attitude towards internal control and compliance, and stimulates the development of an internal governance system that enables the achievement of its objectives.

As regards internal control functions, the work carried out in 2024 was performed in accordance with recognized standards.

3.1.3. CONFLICT OF INTEREST

To the best of the Company's knowledge, at the time of writing, there is no potential conflict of interest between the duties owed to the Company by the members of the Board of Directors and the General Management of the Company and their private interests.

Each member of the Board of Directors must take care to avoid placing themselves in a situation of conflict of interest or, where such situation does arise, to disclose any situation of conflict of interest in which they might find themselves.

Each member of the Board of Directors is required to guarantee and respect the primacy of the interests of each client, and to avoid placing themselves in a situation where they may have to choose between their personal interests and the interests of Fund Channel or of the clients.

Authorized Management

	Position	Residence	Liability
Pierre-Adrien DOMON*	Chief Executive Officer	Luxembourg	Business Development & Legal Functions
Fabien MARBAT-MILAN	Deputy Chief Executive Officer	Luxembourg	Finance and Control Functions
Michaël MARTINEAU	Chief Operating Officer	Luxembourg	IT and Operational Functions

*Head of the Company's Management in accordance with Article 19 (3) of the amended Law of April 5, 1993 and with IML Circular 95/120.

They must therefore refrain from taking part in a decision by the Board of Directors which causes a conflict of interest for them.

3.2. AUTHORIZED MANAGEMENT

From March 2024, Mr. Fabien Marbat-Milan took the position of Deputy Chief Executive Officer (formerly Secretary General).

The CEO, the Deputy CEO and the COO are the three "authorized managers" vis-à-vis the Commission de Surveillance du Secteur Financier (CSSF).

3.2.1. MANDATE OF THE CHIEF EXECUTIVE OFFICER

Term of office

The Chief Executive Officer of the Company is appointed for a renewable period of one year by the Board of Directors of Fund Channel S.A., after approval by the CSSF. The CEO is chosen from among the directors and will handle day-to-day management within the meaning of Article 60 of the Law of 10 August 1915 concerning commercial companies, as amended (the "Managing Director").

Status and powers

Article 13 of the by-laws confers on the Managing Director the most extensive powers in the day-to-day management of Fund Channel S.A..

3.2.2. MANDATE OF THE DEPUTY CHIEF EXECUTIVE OFFICER

On the proposal of the Directors, the Chief Executive Officer (CEO) appoints the Deputy Chief Executive Officer (Deputy CEO). The latter is in charge of the Finance, Business Control, Accounting, Risk, Compliance and Human Resources activities of Fund Channel. The Deputy CEO reports to the CEO of Fund Channel S.A..

The CEO and Deputy CEO are proposed as authorized managers to the CSSF as well as the Chief Operating Officer. Where applicable, an interim manager is proposed as a registered manager to the CSSF.

Within the limits set by the CSSF, the Legal, Risk, Information Security and Compliance functions of Fund Channel collaborate, in their respective fields, with the business lines of the Shareholder.

3.2.3. DIVERSITY AND GENDER POLICY

Fund Channel applies the diversity and gender diversity policy of the Amundi Group. Recruitment and performance evaluation shall take equal treatment into account in order to promote diversity among staff, in particular in positions of high hierarchical importance.

Due to the size of the company, the size of the teams of authorized managers and of the Executive and Management Committees is small. Quantitative targets are therefore not defined in terms of gender, age, origin, education or other factors.

Nonetheless, senior management encourages diversity and inclusion as a positive contribution to the organization of the company, and values differences within the workforce as an asset for the success of the company.

The progress points for 2024 are as follows:

- Diversity charter with the IMS sign off
- Concrete support for female talent: Fund Channel continued its policy of supporting female talent through the creation of a diversity and inclusion committee and adherence to the leadership training programs of the Amundi Group;
- Fund Channel's workforce is composed of 35% female employees. Fund Channel has joined Amundi Group initiative in strengthening **the gender diversity in HR processes with attention paid to** talent pools, and taking

gender diversity into account in succession plans for key functions of the company and for all employees.

3.3. COMMITTEES

3.3.1. EXECUTIVE COMMITTEE

This committee is the decision-making body of the General Management. It deals with the important issues of the Company. Its members are the Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Operating Officer, the Chief Transformation Officer and the Chief Commercial Officer of Fund Channel S.A.. This Committee meets every week and makes organizational and operational decisions related to the day-to-day life of the Company.

3.3.2. SPECIALIZED COMMITTEES

For the 2024 financial year, Fund Channel S.A. implements another layer of governance at the Non-Executive level, a Specialized Risks Committee which meets 3 times per year, to cover topics of the three control functions : Risk, Compliance and Internal Audit.

The Specialized Risks Committee is composed of at least two members of the board of directors who do not hold executive positions within Fund Channel.

In addition, Fund Channel S.A. also set up a specialized Local Remuneration Committee in which the at least two Board of Directors participates.

In accordance with CSSF Circular 20/758 (formerly 12/552), as successively amended, this principle is applied while ensuring compliance with the principles of segregation of duties and responsibility to avoid conflicts of interest in respect of the same person.

In accordance with this principle of proportionality, the functions of the Specialized Committees are taken over directly by the Board of Directors.

The objectives of the Board of Directors are therefore also to:

- define Fund Channel's risk appetite ;
- validate Fund Channel's overall risk policy and limits;
- validate the methodologies for calculating risk indicators;
- determine the risk framework for each product or activity;
- review the results of the checks carried out.

Fund Channel has internal control committees involving the participation of business lines. These risk, internal audit and compliance committees are gathered in a dedicated Internal Control Committee to support management with its overall risk management responsibility.

These committees receive regular and ad hoc reports, information, communications and opinions from internal control officers concerning Fund Channel's risk profile, its risk culture, its limits, as well as any material incident that may appear with the details of the information, corrective actions taken and recommendations or suggestions to be taken.

As far as necessary, the committees ensure the participation of the other control/support functions Human Resources, Legal, Finance as part of their expertise or seek the advice of external experts.

3.3.3. AUDIT COMMITTEE AMUNDI GROUP

Composition and changes

The composition of the Amundi Group Audit Committee changed at the end of 2024 to integrate Nathalie Wright, in order to strengthen the committee's **skills in sustainability matters. Three-quarters of its members are independent directors** and it comprises experts in all the areas it covers.

It is chaired by Christian Rouchon, who is not an independent director. This deliberate choice by the Board of Directors is explained by his specific qualities.

Indeed, his past experience as Chief Financial Officer and Chief Information Officer, combined with his 15 years of service as a director of Amundi, allow him to best perform his role as Chairman of the Audit Committee.

Missions and activities 2024

The tasks entrusted to the Audit Committee are described in Chapter 2 of the Amundi Group's 2024 Universal Registration Document. These have evolved to take into account the role that the Audit Committee now plays in analysing the non-financial indicators that the Company communicates to the market during its financial information.

Work resulting from its recurring assignments for the Amundi Group:

- analysis of the business and the 2023 Company and consolidated financial statements, as well as the quarterly and half-year statements for 2024;
- systematic review of draft press releases regarding the publication of results;
- analysis of related-party and current agreements in view of the criteria it determines;
- annual hearing of the Statutory Auditors, in the absence of any representative of the Company, and analysis of their quarterly audit approaches and work, as well as their independence;
- oversight of the completion of work beyond the audit performed by the Statutory Auditors;
- analysis of the audit plan of the Statutory Auditors for the financial year 2024;
- analysis of sensitive non-financial indicators and the implementation of their control.

Amundi Group Audit Committee

	Name Individual attendance rate	Status	Function	Main areas of expertise
4 Members 6 Meetings Near 100% Global attendance rate	Christian ROUCHON Chair 100%	Director representing the Crédit Agricole Group	Chief Executive Officer Regional Bank	Legal, Finance & Accounting LoD2 Functions (+ICT Risk) Strategic planning Governance & Compensation Sales & Marketing
	Virginie CAYATTE 83%	Independent Director	Chief Financial Officer	Legal, Finance & Accounting LoD2 Functions Strategic planning Asset Management & Financial Markets
	Robert LEBLANC 100%	Independent Director	Company manager	LoD2 Functions (+ICT Risk) Strategic planning Governance & Compensation ESG issues
	Nathalie WRIGHT 100%	Independent Director	Company Director	LoD3 Functions LoD2 Functions (+ICT Risk) Strategic planning Governance & Compensation

* Out of the 6 meetings/written consultations, a Joint Risk and Audit Committee met on 11 December 2024.

** Nathalie Wright was appointed a member of the Audit Committee on 12 December 2024. No meeting of this Committee took place between this date and the end of the 2024 financial year, hence her individual attendance rate is not shown.

3.3.4. AMUNDI GROUP APPOINTMENT COMMITTEE

Composition and changes

The composition of the Appointments Committee, in accordance with the AFEP-MEDEF Code, did not change in 2024. These three members have expertise that is specifically useful to the Committee's missions.

Missions and activities 2024

The tasks entrusted by the Amundi Group Board to the Appointments Committee are described in Chapter 2 of the Amundi Group's 2024 Universal Registration Document.

In this regard, it is noted that the Appointments Committee has the task of making recommendations regarding the policies for the selection and appointment of members of the Board, the Committees and the Company's management or the corporate bodies of its subsidiaries. In this context, it ensures that social and environmental issues are taken into account and that the different skills are covered in a balanced manner.

Work resulting from its recurring assignments for the Amundi Group:

- analysis and assessment of the independence criteria of directors qualified as such;
- analysis of the composition of the Board and its Committees, and recommendations with regard to the balance, diversity, skills and experiences of its members with a view to their suitability with the strategy and changes in the activity of the Amundi Group;
- examination of the individual skills and contributions of Board members;
- analysis of the survey results of the collective and individual self-assessment questionnaires and recommendations for improvement;
- recommendations on the expiry of directorships;
- examination of compliance with the recommendations of the AFEP-MEDEF Code;
- review of the succession plan of the company officers, in accordance with the applicable procedure;
- review of the policies governing the selection and appointment of members of the Group's corporate bodies.

Specific works also covering Fund Channel :

- analysis and follow-up of the ECB's Fit & Proper recommendations.



Amundi Group Appointments Committee

	Name Individual attendance rate	Status	Function	Main areas of expertise
3 Members 2 Meetings 100% Global attendance rate	Hélène MOLINARI Chairman 100%	Independent Director	Former DGD of MEDEF	Governance & Compensation ESG issues Sales & Marketing Asset Management & Financial Markets
	Robert LEBLANC 100%	Independent Director	Company Chief Executive Officer	LoD2 Functions (+ICT Risk) Strategic planning Governance & Compensation ESG issues
	Benedicte CHRETIEN 100%	Director	Group Human Resources Director of Crédit Agricole S.A.	LoD3 Functions LoD2 Functions (+ICT Risk) Strategic planning Governance & Compensation Human Resources

3.3.5. AMUNDI GROUP COMPENSATION COMMITTEE

Composition and changes

The composition of the Compensation Committee did not change in 2024. **Two thirds of its members are independent and it is chaired by one of them.** Its three members have areas of expertise that are of specific use for the work of the Committee. It is also reminded that under Article L. 225-27-1, section I, paragraph 3 of the French Commercial Code, the Company is not required to include a director representing employees on its Board of Directors, as the parent company, Crédit Agricole SA, is itself subject to this obligation. Thus,

Amundi is not bound by the recommendation of the AFEP-MEDEF Code relating to the presence of an employee director within its Compensation Committee.

Missions and activities 2024

The tasks entrusted by the Amundi Group Board to the Remuneration Committee are described in Chapter 2 of the Amundi Group's 2024 Universal Registration Document.

Work resulting from its recurring assignments for the Amundi Group

- recommendation on the proposed remuneration policy for 2024;
- analysis of the implementation of the 2024 remuneration policy, taking into account the Company's financial results;
- study of the remuneration of members of the Executive Committee, Heads of Internal Control and "identified" persons within the meaning of the applicable financial regulations;
- review of the conditions for the allocation of performance share plans;
- study of the indexation of deferred bonuses;
- recommendation, after study, of a capital increase reserved for employees in 2024;
- analysis and proposal of compensation for Chief Executive Officers and Chief Executive Officers;
- recommendation of guidelines in Amundi's gender policy, in light of the study of the report on gender equality in the workplace.

Remuneration Committee of the Amundi Group

	Name Individual attendance rate	Status	Function	Main areas of expertise
3 Members 2 Meetings 100% Global attendance rate	Robert LEBLANC Chair 100%	Independent Director	Company Chief Executive Officer	LoD2 Functions (+ICT Risk) Strategic planning Governance & Compensation ESG issues
	Laurence DANON-ARNAUD 100%	Independent Director	Former company manager	Legal, Finance & Accounting Strategic planning Governance & Compensation ESG issues
	Benedicte CHRETIEN 100% over 2 meetings	Director	Group Human Resources Director of Crédit Agricole S.A.	LoD3 Functions LoD2 Functions (+ICT Risk) Strategic planning Governance & Compensation Human Resources

3.3.6. Risk Committee

Composition and changes:

The organization of the risk committees governance has changed in 2024.

Fund Channel has implemented a tri-annual Specialized Risk Committee which members are Fund Channel 's non-executive Board of Directors.

The objective of this tri-annual specialized Risk Committee held with the Board of Directors (BoD) is to provide comprehensive oversight and guidance on the organization's overall risk management framework.

It assists BoD to define, to monitor and to ensure robust central administration, internal governance and risk management. This includes reviewing the effectiveness of risk identification, assessment, mitigation, and monitoring processes, ensuring alignment with the company's strategic objectives and risk appetite regarding the different type of risks (Strategic, Financial, Credit and Counterparty, Operational, Information Security, Compliance and ESG).

The committee aims to facilitate informed decision-making regarding significant risks, emerging threats, internal audit, and ultimately safeguard the long-term value and sustainability of the enterprise for its stakeholders.



4. POLICY AND PRACTICE ON COMPENSATION

Fund Channel has to set up a remuneration policy in accordance with the IFR/IFD regulations as transposed in the Law on the Financial Sector of 5 April 1993 and updated on 28 November 2022 and previously in application of the European Union Directive 575/2013 commonly known as CRD IV.

Since its implementation in 2019, the policy applies to all Fund Channel entities and is published annually.

The policy is approved by the Board of Directors. It aims to reflect the local implementation of the principles of the remuneration policy of the Amundi Group 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.

In 2024, the company has done a review of its remuneration policy as based on the annual self-assessment, the condition laid down in Article 38-22(4)(1) LSF was not met by Fund Channel anymore. The analysis on the application of the proportionality principle will be maintained and updated on a yearly basis. The updated policy will be available on the company's website after validation from CSSF and final approval from Fund Channel Board of Directors.

4.1. REMUNERATION STRUCTURE

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.

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.
- Variable compensation, 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;

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 remuneration Policy.

For executives other than the Managing Director, the objectives are defined by the Fund Channel Board of Directors. The assessment of the objectives of the other officers is carried out by Managing Director of Fund Channel.

The determination of the amount to be paid to each of the employees take into account qualitative criteria, the long-term interest of the employee in the Company, the personal involvement of the employee and the performance of the tasks entrusted to him. Depending on the position occupied, quantitative criteria are also put in place.

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

The assessment of individual performance is carried out by line managers on the basis of the following objective, quantitative and qualitative criteria

4.2. CRITERIA FOR AWARDING VARIABLE REMUNERATION

Variable compensation is paid only if the employee meets the performance conditions (bonus) and/or if the condition linked to the Company's positive results is met (participatory bonus) and if the employee does not take excessive risks during the mentioned period.

The variable remuneration envelope is determined based on the results of the previous financial year and ensuring that the level of capital remains sufficient.

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

The envelopes of the various sectors are determined according to a top-down process allowing the contribution of each sector to collective performance to be taken into account at each stage.

The envelope is then distributed between the different departments and according to the assessment of their performance and, within each department, according to the assessment of individual performance.

Individual performance is assessed as part of an appraisal procedure where the employee is assessed by their line managers. The assessment of individual performance leads in particular to the setting of variable remuneration.

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

For executives other than the Managing Director, the objectives are defined by the Fund Channel Board of Directors. The assessment of the objectives of the other officers is carried out by Managing Director of Fund Channel.

The determination of the amount to be paid to each of the employees take into account qualitative criteria, the long-term interest of the employee in the Company, the personal involvement of the employee and the performance of the tasks entrusted to him. Depending on the position occupied, quantitative criteria are also put in place.

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

The assessment of individual performance is carried out by line managers on the basis of the following objective, quantitative and qualitative criteria:

Position		Quantitative criteria	Qualitative criteria
Investment Magt	Risk-adjusted performance	<ul style="list-style-type: none"> 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 <p>Responsible investment</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 <p>Responsible Investment</p> <ul style="list-style-type: none"> 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 <p>Include Responsible Investment component in client engagement</p>
Position		Quantitative criteria	Qualitative criteria
Sales	Business development and sustainability through proper behavior and consideration of clients' interests	<ul style="list-style-type: none"> Net inflows, notably on Responsible Investment (incl. NZ) and impact denominated products Revenues Gross Inflows Client base development and retention; product mix <p>Responsible investment</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Compliance with risk policy, compliance and legal rules Joint consideration of Amundi's interests and of clients' interests Securing/developing the business Client satisfaction Quality of management Cross-functional approach and sharing of best practices Entrepreneurial spirit <p>Responsible investment</p> <ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Depending on the projects managed and objectives set Absence of regulatory breach 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Depending on the projects managed and objectives set Management/optimization of expenses 	<ul style="list-style-type: none"> Depending on the projects managed and objectives set Quality of client servicing and support to all staff Improvement of company's efficiency, development contribution Quality of management Collaboration/Sharing of best practices

4.3. 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.

4.4. REMUNERATION DEFERRAL

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 payout 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 $\frac{1}{4}$ of his/her total compensation. Any MRT whose variable remuneration is below €50,000 and does not represent $\frac{1}{4}$ 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 deferral rules for all members of staff as determined in the present section. 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

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.

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

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.

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.

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.

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

¹ Provided the diminims conditions is met.

4.5. 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 a the respective risk alignment 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, paragraph 2 of the LSF, Fund Channel has requested the approval of the CSSF, concerning the use of Amundi Group instruments, as mentioned above.

4.6. AGGREGATE QUANTITATIVE INFORMATION

The following is the aggregate quantitative information on compensation, broken down by senior management and staff whose activities have a material impact on Fund Channel's risk profile:

FUND CHANNEL (Luxembourg + Switzerland)	Remuneration Disclosure as of 31/12/2024
Identified Staff (Senior Management + Risk takers)	
i) Compensation amount awarded in respect of Financial year 2024, broken down between the fixed and variable portion (in € and number of beneficiaries)	
Numbers of persons concerned	8
Total Compensation	1 754 205
Of Which amount of fixed portion	1 257 305
Of Which amount of variable portion (including LTI)	496 900

ii) Variable compensation awarded in 2024 split into cash, shares and shares-linked instruments (in € and number of beneficiaries)	
Numbers of persons concerned	5
Payment in cash	229 450
Deferred remuneration 2024	192 280
Conditional deferred amount (including LTI)	37 170

iii) Variable compensation awarded in 2024 for previous performance period (in € and number of beneficiaries)	
Numbers of persons concerned	0

iv) Amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustment (number of beneficiaries)	
Numbers of persons concerned	1

v) Guaranteed variable remuneration award during the financial year (in € and number of beneficiaries)	
Numbers of persons concerned	0

vi) Severance payments awarded in previous period (in € and number of beneficiaries)	
Numbers of persons concerned	0

vii) Amount of severance payments awarded during the financial year paid upfront and deferred (in € and number of beneficiaries)	
Numbers of persons concerned	0

5. INVESTMENT POLICY

Not applicable for 2024.

6. RISK MANAGEMENT AND RISK ADEQUACY

OWN FUNDS

6.1. RISK MANAGEMENT SYSTEM

6.1.1. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Fund Channel's internal control system complies in particular with the provisions laid down in the "IFR" regulation, in the law of 5 April 1993 on the Financial Sector as updated on 21 July 2021 and transposing the "IFD" Directive, and in the texts relating to internal control and corporate governance, issued in particular by the Commission de Surveillance du Secteur Financier (CSSF), the European Banking Authority and the Basel Committee.

The internal control system is structured in a manner consistent with the principles set out by the Amundi Group and Crédit Agricole Group and in compliance with Luxembourg regulations. These external repositories are supplemented by Fund Channel's internal charters, standards and procedures in the areas of risk control, including IT and accounting, compliance control and internal audit.

The internal control system applies uniformly to all Fund Channel entities and covers the supervision and control of activities as well as the measurement and monitoring of risks.

The Board of Directors defines the risk appetite framework and risk limits applicable to Fund Channel. The governance of the internal control system requires the Risk Committee to report the results of controls and significant incidents with respect to this framework to the Board of Directors and the Amundi Shareholder Group systematically.

The resources, tools and reports implemented according to these standards enable regular information to be provided to the General Management, Board of Directors

and the Amundi Group on the operation of internal control systems and their suitability with regard to the Company's risk profile.

6.1.1.1. FUNDAMENTAL PRINCIPLES

Fund Channel's internal control framework is based on the following core principles:

- systematic information to the Board of Directors on risk management, monitoring of limits granted, the activities and results of controls implemented by the various components of the internal control system, as well as significant incidents;
- direct involvement of General Management in the organization and operation of the internal control system;
- comprehensive coverage of activities and risks;
- a clear definition of responsibilities, through formalized and updated delegations; and
- effective separation of engagement and control functions.

The internal control system is based on two main pillars:

- risk measurement, monitoring and control systems: financial and credit risks, operational risks (operational processing, accounting and financial information, information systems), legal risks and non-compliance risks; and
- a first-level permanent control system carried out by the operating units, second-level permanent control carried out by the Risk, Compliance and Security functions, and periodic control exercised by the Amundi Group's Internal Audit.

Fund Channel's internal control framework covers all Fund Channel entities.

6.1.1.2. DUTIES OF THE CONTROL FUNCTIONS

Internal Control Scheme

Fund Channel S.A. Board of Directors			
Periodic control LEVEL 3	Internal Audit Function Group Amundi Audit Inspection Officer		
Permanent control LEVEL 2	Risk Function Operational, prudential, credit controls	Compliance Function financial security, ethics, market integrity, customer protection, personal data	IT Security Function (delegated to Amundi) Computer security, personal data, business continuity, safety and security
Permanent control LEVEL 1	Controls exercised by operational units through the principle of separation of functions and hierarchical controls, ensures that internal procedures relating to operational processes are respected and that they comply with the laws and regulations in force and with professional and ethical standards. Level 1 checks are used to prevent or detect any risk arising as a result of Fund Channel's activities		

Fund Channel First Level Permanent Control

First-level permanent control is the foundation of the Internal Control system. It is implemented by the business units under the responsibility of their hierarchical superiors. First-level permanent control ensures compliance with internal procedures relating to operational processes, their compliance with applicable laws and regulations, and professional and ethical standards. It prevents or detects all the risks generated by Fund Channel's activities.

The heads of the business units are each responsible for managing the related risks and their activities. They are responsible for defining, effectively deploying and regularly updating the Permanent Control system within their units.

The control system takes into account the Luxembourg regulatory framework and internal procedures, it being understood that these procedures must evolve and adapt to the expectations of our clients, and take into account the expected improvement in the face of observed or potential incidents, as well as the recommendations made by the Internal Audit.

The operational units are equipped to carry out these controls and communicate the results thereof regularly to the Authorized Management, the Risk & Compliance Department, the Information Security Officer and the IT Officer.

They draw up at least annual reports for the attention of the Authorized Management, including the list of key indicators and controls implemented to manage the risks to which they are exposed, as well as a summary of the results of the controls carried out.

In the event of a significant deterioration in a risk, the operational units alert their management and control functions immediately.

The quality and relevance of first-level controls and the effective reporting of their results to second-level control functions is a key element for the efficiency of second-level controls.

Fund Channel second-level permanent control

Second-level permanent control is carried out jointly by three control functions, independent of the operational units:

- the Risk function;
- the Compliance function;
- the Security function – delegated to Amundi.

The Risk and Compliance functions are supported by the Risk and the Compliance Departments. The Information Security Officer function is held by the Chief Operating Officer in collaboration with the IT Officer and the Security Department of the Group Amundi.

These three functions are responsible for jointly coordinating the entire Permanent Control system in compliance with Luxembourg regulations, to verify that it ensures full coverage of the risks to which Fund Channel is exposed. These control functions for the Risk function and the Security function report hierarchically to the Chief Operating Officer while Compliance report to the CEO, and through the business lines of the Group Amundi via a functional hierarchical link.

The Risk, Compliance and Security functions work jointly and in a complementary manner in their respective areas of competence, ensuring the consistency and effectiveness of the controls carried out by the operational departments.

By taking into account the first-level controls implemented by the business lines and the reports made, the Risk, Compliance and Security functions define and exercise their own second-level controls. The frequency of these second-level controls and their completeness depend on the risk analysis and mapping carried out annually by each of the three functions.

The second-level control functions cannot replace the operational departments in performing the first-level controls.

The Fund Channel Risk function is responsible for monitoring the risks, excluding non-compliance and information system risks, to which Fund Channel is exposed.

As such, the Risk function:

- continuously verifies that Fund Channel is not exposed to credit and financial risks beyond their tolerance limits;
- checks that operational risks are controlled.

The Fund Channel Compliance function is responsible for monitoring compliance risks, and constantly ensures compliance with legislative or regulatory provisions, professional and ethical standards, particularly in terms of:

- financial security;
- protection of customers;
- the protection of personal data in collaboration with the Security function;
- professional ethics;
- prevention of fraud and corruption;
- personal data;
- market integrity.

In this context, the Compliance function checks that employees have a minimum level of knowledge of the regulatory and ethical environment and financial techniques.

The Fund Channel Security function (in coordination with AMUNDI Group) is responsible for monitoring risks related to the information system (IT infrastructure, applications and data) as well as risks related to the protection of personal data (within the framework of the European and Luxembourg regulations on the processing of personal data and on the free movement of these data), business continuity and the protection of persons and goods.

Amundi Group coordination

The Risk, Compliance and Security Departments of the Amundi Group exercise a global steering role for the permanent control system of the Amundi Group. As such, they define the approach and principles for deployment in the various Group entities, including Fund Channel, coordinate control plans, and then organize the feedback of results, respectively.

Consolidated indicators for the Crédit Agricole Group

The Crédit Agricole Group has implemented a set of key indicators (qualified as 2.2c controls) in various areas, which include: Credit risk, Financial risk, Accounting risk, Non-compliance risk, Business Continuity Plan, Security Prevention, IT risk, Operational risk.

The Fund Channel Risk Management Department coordinates with a designated domain manager within the Amundi Group to establish the relevant indicators for Fund Channel using the 2.2c indicators proposed by Crédit Agricole S.A. as a methodological reference. As such, it maintains the audit trail of the controls performed and the results obtained in addition to the audit trail maintained locally by Fund Channel.

The Fund Channel Risk Division reports the results of the controls carried out on the basis of the

indicators defined by Fund Channel to the Risk Division of the Amundi Group. The Amundi Group Risk Department coordinates the collection and consolidation of results for the entire Amundi Group and transmits them to Crédit Agricole S.A.

Fund Channel third-level control

Fund Channel's internal audit assignments are entrusted to the Amundi Group's Internal Audit.

The Amundi Inspection Department is responsible for the periodic control of Amundi Group entities, including Fund Channel. It ensures the regularity, safety and effectiveness of transactions and the control of risks of any kind. It operates within the framework of audit plans to cover Fund Channel's activities with a frequency linked to the Company's risks and validated by the Fund Channel Board of Directors.

Since September 19, 2018, the Amundi Inspection Department has been using an external consultant to perform local regulatory duties in Luxembourg with a Luxembourg audit firm.

Each audit mission is the subject of a report and recommendations to which Fund Channel commits. The effective implementation of the recommendations is monitored by six-monthly missions conducted by Amundi's Inspection Department.

6.1.2. ORGANIZATION OF CONTROL FUNCTIONS AND ARRANGEMENTS

6.1.2.1. RISK FUNCTION

The general objective of the risk management function is to ensure that the activities of Fund Channel S.A. do not expose the Company, its parent companies, its clients (the distributors), or asset managers to risks exceeding a predetermined tolerance threshold. Furthermore, through the periodic update and circulation of a Risk Appetite Framework (RAF) and the holding of dedicated committees (Risk Committee), the Risk function of Fund Channel S.A. is able to inform management (COMEX) and the board of directors (Board of Directors) of the complete, objective, and relevant situation regarding the risks to which the institution is or could be exposed.

Within the second line of defense (LOD2), the Risk department of Fund Channel S.A. ensures the ongoing, objective, independent management of risks with sufficient authority. The Risk department is led by a Chief Risk Officer (CRO), a member of management, and reports to the Deputy General Director of Fund Channel S.A. Additionally, the Chief Risk Officer of Fund Channel S.A. has a functional hierarchical link with one of the members of the risk business line management of the Amundi group and is therefore attached to the Chief Risk Officer of the Amundi group.

Under the direction of the CRO, the Risk department of Fund Channel S.A. performs risk control functions over operational, prudential, credit, and counterparty risks. This includes anticipating, detecting, assessing, measuring, monitoring, managing, and reporting all risks to which the institution is or could be exposed.

On the regulatory side, the Risk function ensures the transmission of the required periodic ad hoc reporting to the CSSF (Commission de Surveillance du Secteur Financier) (basic reporting, ad hoc reporting, stress tests, own funds, etc.).

Regarding operational risk, the Risk function of Fund Channel S.A. is responsible for:

- Ensuring the consistency and effectiveness of the internal control and operational risk management system,
- Overseeing the implementation and monitoring of the operational risk control and management system within the business lines,

- Defining the tools for managing and assessing operational risks (mapping, incident management, permanent controls plan, employee training, etc.),
- Monitoring the progress of action plans developed to address identified deficiencies in risk and control,
- Regularly reporting on the level of operational risks through specific risk committees and reports intended for management or the regulator.

The Risk function is also responsible for establishing the Business Continuity Plan (BCP), addressing and rectifying any shortcomings identified in the organization of Fund Channel, as well as communicating these shortcomings to the hierarchical managers.

Regarding credit and counterparty risk, it is important to note that Fund Channel S.A. is an investment company authorized to provide "the custody and administration of financial instruments on behalf of its clients, including custody and related services such as cash and collateral management." However, Fund Channel S.A. does not grant credit facilities.

Nevertheless, it offers its sub-distributor clients:

- Through fund dealing services: a tolerance on the provisioning of cash accounts during the settlement period when providing fund dealing services;
- Through advances on trailing commissions: an early disbursement facility for trailer fees via an advance scheme.

The Risk function is therefore responsible for assessing the creditworthiness of clients likely to expose Fund Channel to credit risk through these two activities. The objective is to ensure that only liquid and solvent institutions are eligible for RTO services or advances, as they expose Fund Channel to an overdraft with CACEIS in the context of the dealing service or a negative cash balance in the context of advances. The credit committee (local CRC) validates the credit risk assessment carried out by the risk department, which is based on an internal credit risk rating tool, using information and public documents collected from the client by account managers.

On the prudential risk side, the Risk function ensures the adequacy of Fund Channel S.A.'s own funds in relation to the prudential requirements of the IFR regime for class 2 financial institutions to which it is subject. The Risk function therefore ensures that Fund Channel S.A. permanently has own funds consisting of the sum of their tier 1 capital (CET1), additional tier 1 capital (AT1), and tier 2 capital (T2). Furthermore, the Risk function has developed a capital needs projection model to estimate the impact of all new activities, services, or clients on its prudential ratios.

6.1.2.2. COMPLIANCE FUNCTION

Within the second line of defense (Level 2), and in accordance with the principle of proportionality, the Compliance Department of Fund Channel S.A. fulfills the compliance risk management function in a permanent, objective manner, with independence of mind and judgment, and with sufficient authority. The Compliance Department is headed by a Head of Compliance, also acting as Chief Compliance Officer. The Head of Compliance acts under the responsibility of the Secretary General.

The Fund Channel Chief Compliance Officer has a functional hierarchical link with one of the members of the management of the Compliance business line of the Amundi Group and therefore ultimately reports to the Amundi Group Chief Compliance Officer.

Fund Channel Compliance is integrated into the Amundi Group Compliance business line. It is organized as a centralized function and independent of the operational services. Its organization aims to preserve the independence of Compliance officers of the Amundi Group entities, to ensure the adequacy and proportionality of the resources allocated to the effective management and control of the risk of noncompliance, to ensure the transparency of information.

The main tasks of Fund Channel's Compliance function are:

- dissemination of the compliance culture;
- the definition of the regulatory framework applicable to compliance;
- assistance to managers and employees in the conduct of activities;
- the contribution to the assessment of compliance risks by Fund Channel's business lines and to the performance and monitoring of the corresponding controls;
- representation with Luxembourg regulators and professional associations in connection with other control functions;
- information, and where appropriate alerts, to the General Management, the Board of Directors and the Amundi Group Compliance business line on non-compliance risks,

The main non-compliance risks are grouped by risk level according to the following themes:

- professional ethics,
- market integrity,
- financial security;
- customer protection;
- prevention of fraud and corruption;
- protection of personal data.

Non-compliance risks are identified and assessed annually for each compliance theme in the "non-compliance risk mapping".

The control plan implemented by the Compliance Department is aligned with the non-compliance risks identified in this mapping. It is reviewed and validated periodically by the Compliance Committee.

The Compliance procedures are adapted from the Amundi Group Compliance procedural framework, adapted from Crédit Agricole S.A.'s Corpus of Procedures, and include the specificities of Fund Channel's business lines and Luxembourg regulations. These Compliance procedures are accompanied by a set of Compliance controls common to all entities, ensuring consistent implementation of controls across the entire scope.

The controls carried out by Fund Channel's Compliance Department are reported regularly to the General Management, Board of Directors and Compliance business line of the Amundi Group, through presentations dedicated to the department's activity, which report on:

- the system for monitoring non-compliance risks, its status and any changes;
- the summary of non-compliance risks, any changes, the level of the main indicators.

On an annual basis, the Compliance Department of Fund Channel:

- maps the risks of non-compliance with legislative and regulatory provisions with the aim of identifying areas of major risk and determining the implementation of management procedures and the definition of corrective actions. In the event of a significant risk being

detected, the escalation procedure applies, with General Management and the Board of Directors being informed, if necessary;

- prepares the Annual Compliance Report for the General Management and the Board of Directors, which is sent to the Head of Compliance of the Amundi Group.

This Annual Compliance Report describes the conditions under which Compliance is ensured, key elements and lessons learned from measuring and monitoring compliance risks. This Report also includes the report of the Head of AML/CFT (RC) Compliance Control to the Head of Compliance for professional obligations in AML/CFT matters (RR). In 2023, General Management was kept regularly informed by:

- Compliance dashboards reported to the quarterly Compliance sub-committee, in which the General Management participates and reviews the various exposures, the various risks and any sensitive issues;
- the current update provided by the Compliance Department within the quarterly compliance sub-committee, in which the General Management participates

"COMPLIANCE PROCEDURES (...) INCLUDE THE SPECIFICITIES OF FUND CHANNEL'S BUSINESS LINES AND LUXEMBOURG REGULATIONS."

6.1.2.3. SECURITY FUNCTION

In accordance with the authorization given by the CSSF on November 16, 2011, the Fund Channel IT infrastructure is hosted within the Amundi Group.

Since then, the Security Function of Fund Channel is based on the Amundi Group Security business line. It is organized centrally and brings together different areas of expertise responsible for issues of security of persons and property, business continuity, security of information systems or protection of personal data.

Fund Channel's Security function transposes the Amundi Group's policies in compliance with Luxembourg's obligations and monitors their proper implementation.

The activity and controls carried out by the security function are regularly presented to the General Management Fund Channel through the Security Committee organized at least three times a year.

Similarly, the Board of Directors receives a periodic report on the risk management system managed by the security function, as well as a summary of the results of the controls performed.

Within the Amundi Group, the resources dedicated to information systems security (IS) placed under the responsibility of the Chief Information Security Officer (CISO) are separate from the Information Systems Department (DSI), reporting hierarchically and functionally to the division in charge of Operations (OST). The CISO is responsible for defining IT security policy, monitoring its proper execution and also implementing a strategy to anticipate and prevent a breach of the integrity, confidentiality, availability or traceability of the global system. It is also responsible for protecting the IS, and detecting and responding to malicious or anti-policy actions.

The Fund Channel Security function is based on permanent Level 1 and Level 2 controls (including vulnerability scans or regular intrusion tests) and is structured around a monthly operational level committee (IT Security Steering Committee) and the Security Committee, which meets at least three times a year.

Fund Channel's global business continuity system is based on Luxembourg regulations and also relies on the Amundi Group system and Crédit Agricole Group procedures. In particular, the system incorporates disaster scenarios adapted to Fund Channel's own business. Based on the analysis of the criticality of the various business lines, regularly reviewed in order to take into account changes in risks and associated disaster scenarios, the business continuity plan, which includes a "crisis management" component, is designed to meet the needs of a rapid recovery of the business.

The result of the associated control plan is presented to the Security and Risk Committees and the Board of Directors.

6.1.2.4. PERIODIC INSPECTION

Fund Channel's internal audit function, under the responsibility of the Chief Executive Officer, is carried out by Amundi's Inspection Department, which reports hierarchically to Crédit Agricole S.A.'s General Inspection Department. The system is rolled out to all Fund Channel entities.

The Amundi Inspection's periodic control system for Fund Channel relies on Crédit Agricole Group's tools and methodologies, in particular to map auditable objects, plan and conduct audits, monitor the implementation of recommendations issued, and prepare the monitoring report on the activity.

The audit plan is based on the multi-annual audit program resulting from Fund Channel's risk mapping for all its entities. It also takes into account the requests of the General Management and Board of Directors of Fund Channel but also of the Amundi Group and the Inspection business line of Crédit Agricole S.A.. The objective of the multiannual program is to cover the audit scope over a period of up to three years including a follow-up of the recommendations made and an annual review.

In addition, the Amundi Inspection Department conducts six-monthly missions to monitor the implementation of all recommendations, with a quarterly follow-up in the case of major recommendations. All the missions carried out by Amundi Inspection and by the Supervisory Authorities are subject to this formalized monitoring system, which ensures the effective implementation of corrective actions, within the deadlines agreed with Fund Channel's General Management at the end of the mission. If necessary, this system may lead the Head of Amundi Inspection to exercise his duty of warning to the Board of Directors of Fund Channel.

The 2024 three-year audit plan has been completed. The findings of the missions were presented to General Management, the Risk Committee and the Board of Directors, who are also informed of the status of implementation of the recommendations.

Lastly, the approach followed by Amundi's Inspection Department is subject to a process of continuous quality improvement.

6.1.2.5. INTERNAL CONTROL OF ACCOUNTING AND FINANCIAL INFORMATION

Roles and responsibilities

Under the authority of the General Management, the Finance Department of Fund Channel is responsible for preparing accounting and financial information. In particular:

- preparing the financial statements in accordance with international accounting standards (IFRS) and in accordance with the accounting rules and principles communicated and defined by the Crédit Agricole Group;
- preparing the financial statements of each of its entities in accordance with local accounting standards;
- preparing the various regulatory, prudential and tax reports in collaboration with the Risk function;
- producing the various management information needed to manage the activity.

“THE AUDIT PLAN SHALL BE DRAWN UP ON THE BASIS OF THE MULTI-ANNUAL AUDIT PROGRAM RESULTING FROM FUND CHANNEL'S RISK MAPPING FOR ALL ITS ENTITIES.”

Permanent control of accounting and financial information

The accounting and financial information control system is based on controls conducted, on the one hand, within the Fund Channel Finance Department and, on the other hand, by the dedicated accounting control unit of the Amundi Group Finance Department, reporting directly to the Group's Chief Financial Officer. This system is supplemented by permanent control carried out and shared between the independent internal control teams of the Risk Department and the Amundi Group Risk Management Department.

The objectives of permanent accounting control are to ensure adequate coverage of major accounting risks,

which may affect the quality of accounting and financial information in terms of:

- compliance of data with legal and regulatory provisions, and with the standards of the Amundi and Crédit Agricole Groups;
- reliability and truthfulness of the data, allowing a true and fair view of the results and financial position of Fund Channel and its entities;
- security of development and processing processes
- data, limiting operational risks, with regard to Fund Channel's commitment to published information;
- prevention of risks of accounting fraud and irregularities.

The permanent control of accounting and financial information is based on the assessment of risks and controls of the accounting processes managed by the operational departments. In particular, the risks monitored by the Risk Department, and in particular those related to off-balance sheet commitments, are reconciled with the accounting system in order to ensure the completeness of the information and the proper valuation in the financial statements.

The Amundi Group's accounting permanent control officer ensures that any corrective actions are implemented to strengthen the accounting permanent control system.

Relations with the Statutory Auditors

In accordance with current professional standards, the Statutory Auditors carry out the due diligence they deem appropriate on the accounting and financial information published:

- audit of the individual and consolidated accounts;
- a comprehensive reading of the published financial reporting materials.

As part of their legal duties, the Statutory Auditors present the conclusions of their work to the Board of Directors of Fund Channel, in which the Amundi Inspection Department participates.

6.1.3. GOVERNANCE

On the proposal of the Authorized Management, the Board of Directors validates the risk appetite in accordance with the strategy defined for Fund Channel.

The governance of the internal control system is organized within Fund Channel around:

- the Board of Directors;
- Internal Control Committee gathering Risk Internal Audit, and Compliance functions, to which the Risk, Compliance and Audit business lines of the Amundi Group actively contribute;
- Internal Control Committee Sub-Committee to address regulatory, internal governance and audit related issues requesting **collective coordination** process.

It ensures that the internal control system is continuously monitored to verify its adequacy and effectiveness. The Authorized Management is informed of the main deficiencies identified and the corrective measures taken.

The Board of Directors:

- validates, on the proposal of the Authorized Management, the risk appetite in accordance with the strategy defined for Fund Channel;
- is informed at least three times a year by presentations from the Authorized Management on the consolidated risk and results situation of Fund Channel, the status of the risk monitoring and internal control system and the results of the activity and the results of the internal control. The Board of Directors is also informed of significant incidents above certain thresholds reviewed each time by the Board of Directors. Finally, it examines the Annual Report on Internal Control.

6.1.4 INTERNAL CONTROL COMMITTEES

In the context of the review of the internal control committees in 2024, the following “Operational Governance” Committees have been set up or reviewed:

- ICC-M monthly
- ICC-Q Quarterly
- Credit Risk Committee
- Local KYC Committee
- Procurement Committee
- Outsourcing Committee
- Finance Committee
- Local NAP
- CAP/CIP/CAC
- IT Committee

The organization of the risk committees governance has changed in 2024:

Internal Control Committee (ICC-M)

The objective of this monthly ICC-M committee is to address regulatory, internal governance, and audit-related matters that require a coordinated collective approach. Mandatory participants include the COMEX Members, the Chief Compliance Officer, the Chief Risk Officer as well as all heads of business lines.

The agenda encompasses collective coordination for the preparation of regulatory reports, as well as the presentation and discussion of the creation and updates of Fund Channel procedures, specifically focusing on their validation, registration in the procedural corpus register, dissemination, and implementation. Additionally, the committee will validate the mapping of operational processes, risk assessments, permanent control plans, and the outcomes of control campaigns. It will also review significant recommendations issued by regulators and auditors following periodic control missions and permanent control campaigns, involving both the first and second lines of defense.

Internal Control Committee (ICC-Q)

The objectives of this tri-annual ICC-Q committee are very similar to ICC-M. However, ICC-Q is held with the presence of AMUNDI’s representatives of Compliance, Risks and Internal Audit Business Lines.

Local Credit Risk Committee

The objective of this committee is to validate internal limits, internal ratings, and counterparties related to credit risk activities such as Trailer Fees Advances and Fund Dealing clients under “Contractual Settlement” model. Mandatory participants comprise the COMEX Members, the Chief Compliance Officer, the Chief Risk Officer as well as all heads of business lines whose departments may expose Fund Channel to credit risk.

Therefore, the agenda focuses on the validation of any Fund Dealing or Advances Fee clients initiating a relationship involving credit risk exposure, as well as the approval of renewals for existing credit risk exposure client files. This committee meets on a monthly basis.

Local KYC Committee

The Local KYC committee is held between First Line of Defense (LOD1) AML/KYC team and sales team, and Second Line of Defense (LOD2) Compliance team in the presence of CEO or deputy CEO.

The objective of this committee is to present, by LOD1, an overview on KYC statistics, and stock/new/renewed KYC files already validated or to be validated with related escalation process. It also aims to validate Oversight due diligence assessment analyses, PEPs assessment analysis and pre-approval prospection on clients performed by first line of defense.

During this committee, Compliance presents quality controls and financial security controls.

Procurement Committee

The weekly Procurement Committee is held in “Booth mode”: validation of requests on a case by case basis.

The objective of this committee is to present by operational sponsors of any purchase request, providing at least a view on budget consumption and description of service / product to be purchased.

Purchase requests take into account the procurement rules set by Fund Channel regarding mutualization with already existing contracts with the Group, Accounting rules, Risk rules and Compliance rules (KYS).

Final decision is provided by Chairman of the Committee.

Local Outsourcing Committee

The Outsourcing Committee is held on a quarterly basis and ad-hoc basis.

The objective of this committee is to analyze and take decisions regarding outsourcing requests, permanent controls linked to providers, and their Key Risk Indicators.

Finance Committee

The Finance Committee is held 3 times a year. The objective of this committee is to update and discuss key-financial results, risk issues regarding Fund Channel.

It also discusses the financial control plan and internal/external audit recommendations.

Local NAP Committee

The Local NAP Committee is held on demand and at least semi-annually.

The objective of this committee is to validate any new or modified activity, product or service developed by Fund Channel. It takes into account the Amundi Risk Business Line decision and follow-up on blocking and non-blocking conditions.

Prospect and Client Acceptance Committee (CAP/CIP/CAC)

The CAP/CIP/CAC Committee is held between Management and Business Lines on a weekly basis in aim to validate any prospect and any new client. The main objective of this committee is to validate any commercial proposal to be sent to the counterparty and to validate any entry into relationship with a client.

IT Committee

The IT Committee is held semi-annually. The objective of this Committee is to validate status of support and incident overview. It aims also to report Security, Technical changes and Audit topics.

6.2. RISK FACTORS AND ARRANGEMENTS PUT IN PLACE

As a class 2 “Less Significant” investment firm, Fund Channel meets the requirements of IFR/IFD regulation and takes into account at least risk factors related to clients (Risk to Client), risk factors related to the market (Risk to Market), risk factors related to the company (Risk to Firm), liquidity risk and concentration risk.

In view of the expected strong future development of order execution and custody services activities on behalf of its clients, Fund Channel obtained confirmation on 24 November 2022 from the Commission de Surveillance du Secteur Financier that Fund Channel benefits from the transitional exemption to Article 57(3)(a) of the IFR in order to be able to apply, until June 2026, capital requirements equal to twice the capital requirement that would have been applied if Fund Channel had continued to be subject to the capital requirements provided for in the CRR regulation.

6.2.1. RISKS RELATED TO CUSTOMERS (RISK TO CUSTOMER - RTC)

Fund Channel is exposed to counterparty risk in the context of its Fund Execution activity for the execution of subscription/redemption orders for units of investment funds, at the time of the settlement/delivery process.

In the event of default by the sub-distributor client, Fund Channel is liable for the money to the depositary bank.

Risk management

The approval of the grant or annual renewal of the Fund Execution activity to a sub-distributor client is carried out by the Risk Committee following a credit analysis of the client, its solvency and the operational quality of operation. Minimum operational and contractual conditions (including guarantees and remedies) are also required.

Controls

Daily monitoring of intraday and D+1 balances, analysis of transactions in progress for the same value date, an escalation process with the client and reconciliations of transactions are implemented

At December 31, 2024, the sum of the amounts required in respect of risk factors related to the client or "Risk to Client" (RtC) is € 5,217,585.09.

6.2.2 RISK TO MARKET (RTM)

In its activities as an investment fund distribution platform, Fund Channel does not take a position in the market either on its behalf or on behalf of its clients, nor does it carry out transactions in derivative instruments.

Fund Channel collects trailer fees in the currency of the management company's choice and pays in the currency of the sub-distributor customer's choice. The Company is thus exposed to foreign exchange risk exclusively on its operating margin. This risk is managed through prudent cash and overhead management.

At December 31, 2024, the amounts required for risk factors related to the "Risk to Market" (RtM) market are zero.

6.2.3. RISK TO FIRM (RTF)

6.2.3.1. CREDIT OR COUNTERPARTY RISKS

As part of the collection of trailer fees, there are two types of Fund Channel client agreements with its sub-distributor clients: A service provision agreement and a sub-distribution agreement that govern the management of retrocessions.

A clause is inserted into each of the contracts specifying that any failure to pay the fees due by the management companies to Fund Channel in respect of the investments made by the sub-distributor client will make the payment of the fees due by Fund Channel client sub-distributor in respect of said investments non-payable, so that Fund Channel is exposed to a limited credit risk on its creditors, as only the recovered claims give rise to a debt towards clients of Fund Channel distributors.

In this process, Fund Channel is exposed to credit risk exclusively in the context of the trailer fees it offers to its sub-distributor clients. The risk exposure relates to the net advance, i.e. the difference between all the amounts advanced to the client and the commissions already received from the management companies.

Advance fee process for the transfer of management fees (trailer fees)

In the context of fee advances, counterparty risk takes into account all amounts advanced quarterly (on D+30, D+45 or D+60) to the sub-distributor client and deducted from all fees already received from management companies. A "Claw Back" right is exercised in all cases of advance payments greater than the amounts actually recovered from management companies.

Ultimately, the risk is a credit risk vis-à-vis the sub-distributor client. This is the risk that the sub-distributor client will not fulfill its claw back obligations in the event of an advance exceeding the amounts actually recovered from the management companies.

Risk management

The approval of the granting or annual renewal of the commission advance to a sub-distributor client is carried out in the Credit Risk Committee after the Risk team has performed a credit analysis of the client and an internal rating, notably assessing its solvency, the speed of recovery and the operational quality of the recovery of the management companies. Minimum operational and contractual conditions (including guarantees and remedies) are also required.

Controls

Monthly monitoring of the net amounts advanced to sub-distributor clients and of the cash risk related to fee advances is implemented. At December 31, 2024, the net advance was the only component of risk related to the "Risk to Firm" (RtF) company for an amount of € 1,398.48 in respect of the counterparty risk factor "Trading counterparty default" (K-TCD).

6.2.4. CONCENTRATION RISK

At December 31, 2024, Fund Channel had approximately 336 management company clients and 100 sub-distributor clients under agreement in 11 countries of the European Union and 8 countries outside the Union. The sub-distributor customers are in 10 countries of the European Union and 3 outside the European Union (Monaco, Switzerland and Singapore). 54% of sub-distributors are French and 6% are from Luxembourg.

Beyond the Amundi Group (shareholder), Fund Channel has no customer concentration exceeding 3% of its total gross income.

In addition to its customers, Fund Channel has chosen its two main service providers within the Crédit Agricole Group.

Fund Channel manages its concentration risk through:

- the continuous search for new customers outside the shareholder group in order to further diversify its business risk;
- prudent management, mainly in terms of overheads, in order to maintain a satisfactory cost/income ratio;
- the implementation of an appropriate subcontracting policy relating to the selection and periodic supervision of service providers, based on the Amundi Group guidelines and Luxembourg regulations.

6.3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

Fund Channel faces direct ESG risk at “Corporate” level, and transposes the principles and decisions taken into Amundi Group’s ESG and climate strategy committee.

The policy is based on:

- An environmental policy consisting in particular of a recycling and waste limitation policy.
- A diversity policy consisting of making no distinction in recruitment and of equal treatment in recruitment and performance appraisal processes.
- Due to the size of Fund Channel, the number of authorized executives and small size of the management committee, quantitative targets are not applied.
- A governance policy includes ensuring the independence of the board of directors and the presence of an audit committee, transparency in executive compensation and anti-corruption measures.
- A remuneration policy, which is subject to an annual internal audit and according to which risk takers must follow all mandatory training.

As a platform for distributing investment funds and through its position as an intermediary between asset management companies and sub-distributors, Fund Channel processes data and offers an interface to access this data.

The standards and rules on climate, environmental and ESG risks that will make up the value chain of asset management companies and sub-distributors are still being defined by them.

Thus, in the short, medium and long term, Fund Channel’s ESG risk is an indirect risk, which resides mainly in its operation and its IT and operational capacity to make available to its sub-distributor clients the ESG data or climate and environmental risk criteria that management companies must incorporate into their investment and asset management process of the funds managed by them.

Indirectly and in the medium term, the risk could also be that some of the clients of management companies and sub-distributors do not integrate climate and environmental risks into their value chain and process as factors of existing risk categories (such as credit, operational, reputational, liquidity risks, etc.) and that this risk is passed on to Fund Channel through reputational risk, for example.

Due to its activity, the risk is considered low and limited at Fund Channel.

6.4. RISK APPETITE FRAMEWORK

Fund Channel’s risk appetite is defined by type and aggregate level of risk, and by activity. Fund Channel defines its risk appetite by including the essential aspects of its business: the attractiveness of its commercial offer, the soundness of its financial position and the pursuit of its short- and long-term profitability objectives.

The formalization of Fund Channel’s risk appetite helps inform General Management and the Board of Directors in the development of its development trajectory as

well as in its overall strategy for the development of its distribution platform.

It is the result of a coordinated and shared approach between the Finance, Risk, Compliance and Security Departments, which aims in particular to:

- Engage directors and management in reflection and dialog on risk-taking;
- Formalize, standardize and clarify the acceptable level of risk (normative framework) in relation to a given strategy;
- Fully integrate the risk/return dimension into strategic steering and decision-making processes;
- Have leading indicators and alert thresholds enabling management to anticipate deterioration excessive use of strategic indicators and improve resilience by activating action levers in the event of alert levels being reached in relation to the risk appetite standard;
- Improve external communication to third parties, regulators, on the stability of results and risk management.

The Risk Appetite Statement may be defined as a description of the amount of risk Fund Channel is willing to assume for each risk when pursuing its operations, its strategic objectives and regulatory imperatives given consideration of costs and benefits. The amount of risk is assessed through pre-identified risk indicators. These are metrics used to assess Fund Channel's respective exposure per risk identified. These metrics can vary depending on the nature of each risk. Therefore, multiple metrics are used to assess Fund Channel's exposure to its risk universe. Additionally, the risk appetite statement at Fund Channel is constructed in respect of Crédit Agricole Group's prerogatives. The latter introduces three thresholds upon which risk indicators are monitored then escalated to specific decision bodies.

The risk appetite statement is prepared and then maintained jointly by Fund Channel's operational teams, the management committee members, and the control functions of Fund Channel. The risk appetite statement is validated by the Board of Directors.

The risk appetite statement captures Fund Channel's operational, strategic objectives and regulatory imperatives to draw three zones of risks upon which a distinct decision-making body is to take action.

The Appetite zone (COMEX Level)

The appetite zone sets the boundary between day-to-day risk levels and their escalation limits. Upon breaching the appetite zone, the COMEX is to be informed in order to ensure a close monitoring of the indicator and discuss potential mitigation measures and their applicability should the indicator worsen. This zone refers to the level of risk that Fund Channel is willing to assume in order to achieve its operational objectives.

The Tolerance zone (BoD Level)

The Tolerance zone corresponds to the level at which the Board asks to be formally alerted when it is breached. When the threshold is breached, the risk indicator enters the "tolerance zone" and the Board conducts closer monitoring on the subject in question as well as on the overall situation leading to the breach. The tolerance zone covers in particular the level of deterioration at which it may be envisaged to launch a recovery plan adapted to the situation, which remains under the responsibility of the Board of Directors.

The Capacity zone (Regulatory Level)

This is the minimum regulatory level required for indicators as per the regulator. When this threshold is reached, Fund Channel enters the "capacity" zone. Entering the capacity zone triggers close dialogue with the regulator.

Furthermore, while the Fund Channel strategic plan selects most of its risks, certain risks such as operational risks and certain non-compliance risks are essentially incurred, even if the implementation of protection measures and control mechanisms makes it possible to contain the occurrence and possible consequences.

In 2024 Fund Channel has decided to conduct a comprehensive review of its Risk Universe and Risk Appetite Framework. This has translated into a risk Management Framework (Risk universe) that has been mapped into seven homogeneous risk categories: Strategic, Financial, Credit and Counterparty, Operational, ICT, Compliance and ESG Risks totaling 24 Key Risk indicators.

For 2024, these various risk indicators remain under control, respecting the appetite and thresholds defined by Fund Channel.

6.5. CAPITAL ADEQUACY

6.5.1. CAPITAL RATIO

6.5.1.1. COMPOSITION OF CAPITAL

Fund Channel mainly has Tier 1 (CET1) capital consisting of the share capital and undistributed reserves.

Any breaches and expectations of breaches of regulatory capital requirements must be reported immediately to Management and the CSSF.

Passage of equity to Tier 1 capital	31/12/2024 in €
ACCOUNTING SHAREHOLDERS' EQUITY	20 260 141
Of which Subscribed Capital or endowment capital	2 620 000
<i>O/w Issue premium</i>	0
<i>O/w Revaluation reserve</i>	0
<i>O/w Legal reserve</i>	262 000
<i>O/w Other Reserves</i>	668 049
<i>O/w Results carried forward</i>	18 921 997
(-) DISTRIBUTABLE INCOME	0
(-) PRUDENTIAL FILTERS	-12 341 975761
<i>Of which (-) Other intangible assets</i>	12 275 556
<i>Of which (-) Other deductions</i>	66 420
REGULATORY CAPITAL	10 130 071

Fund Channel's accounting shareholders' equity, excluding distributable income for the current financial year, amounts to €20,261,140 and mainly consists of Tier 1 capital items, i.e. capital for €2,620,000, carry-forward for €18,921,997 and other reserves for €930,049.

Two deductions from the calculation of fund clean category 1 are carried out. The deduction of €12,275,555 in respect of other intangible assets and the deduction of €66,420 in respect of other deductions for investments in the Swiss subsidiary of Fund Channel. No additional Tier 1 and Tier 2 items are applied.

The amount of regulatory capital therefore amounts to €10.13 million (€10,130,070.81). This level of regulatory capital is rather stable vs. 2023 and remains impacted by the level of intangibles assets (due to Fund Channel's transformation Plan).

6.5.1.2. CAPITAL REQUIREMENT

In accordance with Article 11(1) of IFR Regulation 2019-2033 and Article 24 of Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019, Fund Channel shall have the capital requirement of the higher of:

- One quarter of the previous year's fixed operating expenses calculated in accordance with Article 13 of the IFR Regulation,
- The amount based on the key factors (K-factor) calculated in accordance with Article 15 of the IFR Regulation based on an assessment of the risks vis-à-vis customers, the market and the entity itself,
- The permanent minimum capital, in accordance with Article 14 of the IFR Regulation, which must be at least equal to the levels of initial capital in Article 9 of Directive 2019/2034 set at €150,000.

Fund Channel ensures that it maintains an adequate level of regulatory capital to develop its business.

As such, the capital requirements based on the key factors (K-factor) to which Fund Channel is exposed relate to the risks related on the one hand to the client (RtC) and on the other hand to the company (RtF).

Client-related risks (RtC) are covered by risk factors:

- customer funds held (K-CMH: "Client Money Held"),
- assets under custody and administration (K-ASA: Assets safeguarded and administered)
- Client Orders Handled (K-COH).

They shall be calculated as aggregated moving averages of daily values or average daily volumes.

Fund Channel's Corporate Risk (RtF) is a counterparty default risk (K-TC "Trading Counterparty Default"). It corresponds to the net advance to which a prudential coefficient is applied.

At December 31, 2024, the sum of the amounts required in respect of the risk factors related to the client or "Risk to Client" (RtC) is €5,217,585.90 and the requirement for the risk related to the company "Risk to Firm" (RtF) is €1,398.48.

Capital requirements based on a quarter of the operating expenses for the previous year amounted to €4.13 million (€4,134,957.13).

Finally, in accordance with Article 11 IFR and the Maximum (permanent minimum capital; total fixed overheads N-1; requirement based on factors K), the capital requirement corresponds to a quarter of the overheads for the year ended 2023 which amount to €4.13million (€4,134,957.13).

In addition, pursuant to Article 57(3)(a) of the IFR during the transitional period, the capital requirement is equal to twice the capital requirement provided for by Fund Channel's CRR regulation amounts to €3.38 million (€3,388,176.38).

6.5.1.3. CAPITAL RATIOS AT DECEMBER 31, 2024

The capital ratio is 194% with a capital surplus of €4.9million (€4,911,087.23 addition, in application of the capital requirement under the derogation period, the capital ratio is 299% with a capital surplus of €6.7 million (€6,741,894.43). As of 31 December 2024, Fund Channel has sufficient capital to meet the requirements.

6.6.3. STEERING ECONOMIC CAPITAL

With a view to maintaining adequate capital at all times, Fund Channel supplements the measurement of regulatory capital requirements with an economic measurement and management of its capital, which is based on the ICARA (Internal Risk Assessment Process) implemented at consolidated level with Fund Channel entities.

EQUITY FUND CHANNEL S.A.

CET 1 (in €) at 31/12/2024 (IFR)

10,130,070.81**

CAPITAL REQUIREMENT FUND CHANNEL S.A.

(in €) at 31/12/2024 (IFR)

5,218,983.58

CAPITAL RATIO FUND CHANNEL S.A.

(%) at 31/12/2024 (IFR)

194%

Fund Channel S.A. (in € million)	2021		2022		2023		2024	
	IFR	IFR	IFR*	IFR	IFR*	IFR	IFR*	
Own funds (CET 1)	13	11	11	11	11	10	10	
Capital requirement	3	3	5	4	5	5	3	
CET 1 RATIO	504%	370%	197%	299%	224%	194%	299%	
Limit	100%	100%	8%	100%	8%	100%	8%	
Capital surplus (in € million)	10	8	5	7.5	5	4.9	6.7	

*Under a transitional derogation as provided for in Article 57(3)(a) of the IFR, the capital requirement is based on the CRR regulation.

**The decrease in CET1 is due to an increase in the amount of intangible assets.

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