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Amundi
ASSET MANAGEMENT

January 2021

Amundi Group Remuneration Policy

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1. General overview and implementation

The policy described in this document is effective for the financial year starting on January 1st 2021. It sets out the overall Amundi remuneration framework and applies to France and to all entities of the Amundi Group of the European and Asian perimeter in the absence of more stringent local regulatory requirements. For United States, specific rules apply that are broadly equivalent to the Group Remuneration policy.

In this instance, local adjustments across the European Union and international companies may apply, if required by local regulation.

This policy mainly operates under the remuneration requirements of the UCITS Directive and the AIFMD. The design of this policy also ensures the compliance with the remuneration provisions of both CRD (with reference to specific Amundi entities subject to banking regulation) and MiFID to the extent they are relevant.

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

This policy is based on all existing applicable regulation. Any further change, in particular with the issuance of CRDV or IFD, will be integrated at a later stage, after approval by the Board of Director of Amundi.

Finally, the policy aims at rewarding equal performance irrespective of employee characteristics such as gender, race, marital status as defined in local applicable regulations (i.e. non discriminatory provisions).

2. Amundi's remuneration policy

Standard Policy

2.1. This section describes the Amundi's general remuneration policy applicable within the Group. This policy is defined by Amundi's General Management having been proposed by the Human Resources Department. The control functions also ensure that the policy complies with existing standards and regulations.

2.2. The remuneration policy is reviewed every year by the Amundi Remuneration Committee chaired by an independent non-executive Director and comprised of members who are either independent or exercising no executive functions within Amundi.

2.3. The remuneration policy is designed to be aligned with the economic strategy and long-term objectives, the values and interests of the company and of the funds under management and with those of investors, with sound and well-controlled risk management.

2.4. Each employee is eligible to all or part of the following elements of the remuneration package depending on their responsibilities and specific work location:

- **Fixed Remuneration**, based on the level of responsibility, considered within the local specificities and market conditions.
- **Variable Remuneration**, split in two components:
 - o **Annual Bonus**, addressed to the general population: rewards the individual / team performance and is defined by managerial discretion on the basis of the level of achievement of pre-defined performance drivers
 - o **Long Term Incentive**, addressed to selected Key People: based on Amundi performance shares, aimed at motivating the managers on the achievement of business and financial goals as set in the Amundi Business Plan.
- **Collective Variable Remuneration**: shares in the financial performance generated by Amundi.
- **Benefits**: offer support and protection to employees and their families and help them cover health expenses and prepare for retirement through schemes including company and individual contributions in a tax-efficient structure.

2.5. Concerning individual variable remuneration, this is only awarded (except in the case of a recruitment) based on the contribution to performance as assessed by the manager in accordance with the following principles:

- The Amundi total variable remuneration pool is determined as a percentage of gross operating income so as to calibrate the amounts paid out according to the results achieved by Amundi. This pool is communicated to the Amundi Board of Directors.
- The bonus pools for the various sectors are defined following a top-down process to take into account the contribution of each sector to the overall performance.

Individual variable remuneration awards are discretionary in nature, based on an assessment of the individual performance by managers on the basis of:

- Objective criteria, both quantitative and qualitative
- Incorporating, depending on the function, an appropriate short to long term time scale
- Compliance with risk limits and the client's interests.

2.6. Concerning guaranteed variable remuneration, this only occurs in the context of hiring new employees and is limited to the first year.

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

Position		Quantitative criteria	Qualitative criteria
Investment Management	Risk-adjusted performance	<ul style="list-style-type: none"> • IR/Sharpe over 1, 3, 5 years • Gross/absolute/relative performance of the investment strategies (based on GIPS composites) over 1, 3, 5 years, outlook mainly focused on 1 year, adjusted with long-term figures (3,5 years) • Performance risk adjusted based on IR/Sharpe over 1, 3, 5 years • Competitive positioning through Morningstar rankings • Net inflows / Successful requests for proposals, mandates • Performance fees generation 	<ul style="list-style-type: none"> • Compliance with risk, ESG policy, compliance and legal rules • Quality of management • Innovation/product development • Collaboration/Sharing of best practices • Commercial engagement
Sales	Business development and sustainability through proper behavior and consideration of client's interests	<ul style="list-style-type: none"> • Net inflows • Revenues • Gross Inflows; Client base development and retention; product mix 	<ul style="list-style-type: none"> • Joint consideration of Amundi's interests and of client's interests • Securing/developing the business • Client satisfaction • Quality of management • Cross-functional approach and sharing of best practices • Entrepreneurial spirit
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, contribution to its development • Quality of management • Collaboration/Sharing of best practices

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

2.7. Risk Remuneration Committee's role:

A dedicated Committee called the "Risk Remuneration Committee" brings together the Human Resources function and the control functions (Risk and Compliance).

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

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

Pursuant to the terms of reference of the Risk Remuneration Committee and in performing its activities, the Committee shall:

- Validate the compliance of the Remuneration Policy with the regulatory requirements;
- Validate the different baskets of funds used for indexation purposes;
- Perform the 2nd level control on HR compensation processes, based on a report describing the 1st level of control reported by the HR Division;
- Check the compatibility of the Remuneration Policy with the economic/prudential situation of Amundi, according to regulatory requirements;
- Validate the proposed list of the Risk Takers proposed by the HR Division and the relevant entities, ensuring the regulatory requirements have been complied with.
- Review the assessment of the behavior of the Risk Takers regarding their obligations to act in good faith and in compliance with all applicable regulatory and internal risk and compliance rules.

In addition to the here above-mentioned activities, the Risk Remuneration Committee shall report any employee's significant misconduct having significant impact on the risk profile of the entity.

Furthermore, each committee member can, at any time, inform the committee about any specific situation that would deserve a review by the Committee. In such a case, an ad hoc committee would then be organized.

3. Definition of ‘identified staff’

3.1. Principle

Employees meeting the following two conditions will be considered as ‘identified staff’ within the meaning of the AIFMD / UCITS regulation:

- Employees / persons who are likely to have a material impact on the risk profile of the company
- and
- whose annual variable remuneration is higher than €100k (or equivalent value in local currency), reflecting their level of responsibility on the risk profile.

If these 2 cumulative conditions are not met, employees will be managed by the standard policy and terms of payment as described in section 4 of this document.

If these 2 conditions are met then the terms of payment in section 5 of this document apply.

- Other employees in a high wage bracket:

In addition to the above, any employee who performs ‘portfolio management activities’ or is a ‘Senior Manager’ (operating effective management of an entity), earning total annual variable above €500k, and who is likely to have a material impact on the risk profile within his/her position, will be managed according to section 5 of this policy.

3.2. Segmentation of the identified staff population

Within Amundi, the identified staff population would inter alia be composed of: Entity legal representatives, relevant Portfolio Managers, Heads of business lines, control functions, Executive Committee and General Management Committee Members and, any other function that would need to fall under the identified staff category from a local standpoint.

3.3. Application to Management companies

The ‘identified staff’ definition process is performed and reviewed annually for each management company.

3.4. Delegation of investment management activity to Amundi entities outside EU

When Amundi entities are delegating investment management functions (including risk management) to another Amundi entity outside EU, Amundi ensures that:

- a) the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under these guidelines;
- or

- b) appropriate contractual arrangements are put in place with entities to which significant investment management activities have been delegated, in order to ensure that there is no circumvention of the remuneration rules set out in the present guidelines; these contractual arrangements cover any payments made to the delegates' identified staff as compensation for the performance of investment management activities on behalf of the management company.

Amundi has, therefore, set up a control to identify the investment managers within a delegated company outside the European Union, whose portfolio management activity is represented significantly by the management of UCITS / AIF.

4. Terms of payment for standard policy

4.1. Above a certain level of variable remuneration¹, payments are partly deferred over a 3-year period.

– Variable remuneration deferral scale for ‘non identified’ staff

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

Note: Corresponding local currency deferral tables are available in the Appendix II.

Practical applications:

- The percentage to be deferred is applied to the total annual variable remuneration awarded (applied « as from the first euro awarded »).
- The application of this scale cannot lead to a deferred amount lower than EUR 15k. Below this amount, the deferral is cancelled and the variable compensation is fully paid.
- The application of this scale cannot lead to a short term payment lower than the non-deferred portion,
- In case the employee is a participant of the long-term incentive scheme,
 - o The performance shares grant will be taken into consideration for the calculation of the portion of variable remuneration to be deferred;
 - o The performance shares will be delivered to the beneficiaries at the end of the deferral period (cliff vesting). The deferred portion of the bonus will be split in three equal tranches delivered over 3-years after the grant date (gradual vesting);
 - o In case the long-term incentive grant is higher than the computed deferred remuneration, taking into account the guaranteed non-deferred portion, the entire bonus will be paid upfront at the grant date.

Example of calculation of deferred compensation split:

The employee is not an identified staff and has been granted an annual variable remuneration of 200.000 €, of which 40.000 € is represented by performance shares grant and 160.000 € by performance bonus.

¹ As a reminder, variable remuneration includes both bonus and long-term incentive.

The variable compensation to be deferred is 40% of 200.000 € = 80.000 €, of which 40.000 € consist of the LTI grant and 40.000 € the deferred portion of the bonus. The remaining portion of variable compensation is paid upfront (200.000 € - 80.000 € = 120.000 €).

4.2. Definitive vesting conditions:

Each tranche of the deferred variable compensation vests only under conditions of collective performance (Group level), absence of excessive risk-taking professional behavior (Individual level) and presence at the date of vesting. Not meeting these conditions can result in a decrease or loss of the deferred award. The collective performance conditions are defined in the deferred bonus plan and in the share-based plan and reflect the deferment duration and nature of the incentive plan.

5. Terms of payment for ‘identified staff’

For “identified staff” (definition in section 3), variable remuneration is paid based on the following principles:

5.1. Variable remuneration payments are partly deferred over a 3-year period and made only provided that the employee meets performance conditions and does not take any excessive risks over the period.

- Variable remuneration deferral scale for ‘identified’ staff :

Annual variable remuneration	Percentage of annual variable remuneration to be deferred	Guaranteed non-deferred portion
0-600 k€	50%	-
>600 k€	60%	300 k€
Executive Committee	60%	-

Note: Corresponding local currency deferral tables are available in the Appendix II.

Practical applications:

- The percentage to be deferred is applied to the total annual variable remuneration awarded (applied “as from the first euro awarded”).
- In case the employee is a participant of the long-term incentive scheme,
 - o the performance shares grant will be taken into consideration for the calculation of the portion of variable remuneration to be deferred;
 - o the performance shares will be delivered to the beneficiaries at the end of the deferral period (cliff vesting). The deferred portion of the bonus will be split in three equal tranches delivered over 3-years after the grant date (gradual vesting) and indexed to a representative basket of funds.

Example of calculation of deferred compensation split:

The employee is an identified staff and has been granted an annual variable remuneration of 200.000 €, of which 60.000 € is represented by performance shares grant and 140.000 € by performance bonus.

The variable compensation to be deferred is 50% of 200.000 € = 100.000 €, of which 60.000 € consist of the LTI grant and 40.000 € the deferred portion of the bonus. The remaining portion of variable compensation is paid upfront (200.000 € - 100.000 € = 100.000 €).

5.2. Definitive vesting conditions:

Each tranche of the deferred variable compensation vests only under conditions of collective performance (Group level), absence of excessive risk-taking professional behavior (Individual level) and presence at the date of vesting. Not meeting these conditions can result in a decrease or loss of the deferred award.

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

5.3. Payment of variable remuneration:

The deferred portion of bonus is indexed on the performance of a representative 'basket of funds'.

The employees concerned are not authorized to use personal hedging strategies in order to offset the impact of the risk alignment incorporated in the management of the deferred variable remuneration.

5.4. Monitoring of risk-taking behavior:

The monitoring the risk limits and compliance rules is implemented annually by the concerned control functions (Risk and Compliance).

6. Appendix I: 2020-2021 key highlights regarding the remuneration policy

Deferred bonus indexation arrangements

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

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

In 2021, baskets of funds are defined at Amundi, Amundi Immobilier, Amundi PEF, Amundi Transition Energetique and Amundi SGR levels.

Detailed individual and collective vesting conditions

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

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

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

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

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

6.5. Monitoring of risk-taking behavior: see paragraph 5.4.

Carried interest

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

7. Appendix II: Local currency deferral tables

Standard deferral tables in main local currencies

GBP award

Variable remuneration	Percentage of variable remuneration to be deferred
<GBP 85 k	0%
GBP 85-350 k	40% with at least GBP 85 k non-deferred
GBP 350-500 k	50% with at least GBP 210 k non-deferred
≥ GBP 500 k	60% with at least GBP 250 k non-deferred

JPY award

Variable remuneration	Percentage of variable remuneration to be deferred
<JPY 13 m	0%
JPY 13-50 m	40% with at least JPY 13 m non-deferred
JPY 50-75 m	50% with at least JPY 30 m non-deferred
≥ JPY 75 m	60% with at least JPY 37,5 m non-deferred

HKD award

Variable remuneration	Percentage of variable remuneration to be deferred
<HKD 1 m	0%
HKD 1-4 m	40% with at least HKD 1 m non-deferred
HKD 4-6 m	50% with at least HKD 2,4 m non-deferred
≥ HKD 6 m	60% with at least HKD 3 m non-deferred

SGD award

Variable remuneration	Percentage of variable remuneration to be deferred
<SGD 170 k	0%
SGD 170-700 k	40% with at least SGD 170 k non-deferred
SGD 700-1000 k	50% with at least SGD 420 k non-deferred
≥ SGD 1000 k	60% with at least SGD 500 k non-deferred

Minimum deferred amount in main local currencies under the standard deferral policy:

EUR	GBP	JPY	HKD	SGD
EUR 15k	GBP 12k	JPY 2.1M	HKD 150k	SGD 30k

Identified staff deferral tables

GBP award

Variable remuneration	Percentage of variable remuneration to be deferred
<GBP 85 k	0%
GBP 85-500 k	50%
≥ GBP 500 k	60% with at least GBP 250 k non-deferred

JPY award

Variable remuneration	Percentage of variable remuneration to be deferred
<JPY 13 m	0%
JPY 13-75 m	50% with at least JPY 13 m non-deferred
≥ JPY 75 m	60% with at least JPY 37,5 m non-deferred

HKD award

Variable remuneration	Percentage of variable remuneration to be deferred
<HKD 1 m	0%
HKD 1-6 m	50%
≥ HKD 6 m	60% with at least HKD 3 m non-deferred

SGD award

Variable remuneration	Percentage of variable remuneration to be deferred
<SGD 170k	0%
SGD 170k – 1000 k	50%
≥ SGD 1000 k	60% with at least SGD 500 k non-deferred

8. Appendix III: Summary of applicable provisions regarding individual variable compensation

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

[1] Performance shares are considered as fully deferred.