

Amundi Luxembourg Remuneration Policy

Amundi Luxembourg S.A. (the “Company”) has adopted the following remuneration policy (the “Policy”) with regard to its staff and will become effective from January 1st, 2017, in conjunction with the remuneration policy of Amundi and in accordance with the Directive 2009/65/EC as amended by Directive 2014/91/EU (“UCITS V”), and to the Directive 2011/61/EU (“AIFMD”) , as implemented locally.

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.

Governance of the remuneration policy

The Policy is adopted by the Board of Directors of the Company and is reviewed at least annually.

The remuneration policy is subject to independent oversight by the Amundi Remuneration Committee, comprised of members who have no executive function at Amundi. The Amundi Remuneration Committee applies to all group entities including the Company. This Committee is currently composed of Robert Leblanc (Chairman, independent Director), Laurence Danon (independent Director) and Xavier Musca (non-executive Director).

The Remuneration Committee has the remits of annually reviewing and drawing up proposals and opinions, which It notifies to the Board of Directors, on :

- the remuneration of the Senior Management of the Company
- the general principles of the Policy of the Company;
- the remuneration policy for employees who manage UCITS or alternative investment funds, and categories of staff that include risk takers, individuals that exercise a control function, as well as any equivalent employee in terms of income bracket;
- the remuneration policy, and in particular the variable remuneration policy, share subscription or purchase plans, and plans to distribute shares free of charge, if applicable, which are to be submitted to the General Meeting of Shareholders, as well as on the principles and procedures for implementing long term profit-sharing and bonus plans.

In addition, It shall be responsible for:

- monitoring the implementation of the remuneration policy in order to ensure compliance with policies and regulatory provisions, and reviewing, to this end, the opinions and recommendations of the Risk Management and Compliance Departments in relation to this policy; and
- directly controlling the remuneration of the Head of the Risk Management and the Head of Compliance.

The Remuneration Committee receives contributions from the control functions in order to check the policy complies with existing standards and regulations. A specific committee, the Remuneration Risk Committee is held regularly by the Steering and Controls Pole, including the Human Resources, Compliance and Risk functions of Amundi in order to review the entire management/sales staff scope and incorporate respect of risk limits and compliance rules in the remuneration decisions.

The Company’s control functions are independent from the business areas that they oversee; their remunerations are independent from the results of these same overseen business areas.

Alignment of remuneration policy and practices with risk profile of the UCITS and AIFs

Determination of Identified Staff

Amundi has identified all of its 'Identified Staff' having a decision authority on the management of the Company and the funds it manages and consequently likely to have a significant impact on the performance or the risk profile. The "identified Staff" may include, *inter alia*: the Board Members of the Company, its Senior Management, Portfolio Managers, Heads of Control Functions and any other employees considered as material risk takers or within the same remuneration bracket than senior managers. The list is determined, and reviewed yearly, by the Human Resources and Compliance functions, and validated by the Remuneration Committee.

Performance criteria

Company's staff received a remuneration composed of a fixed component and a variable component, appropriately balanced, reviewed annually.

The individual variable remuneration awarded to the Company's staff is based on the contribution to performance in accordance with:

- the performance/results of Amundi group as a whole;
- the performance of the business units ;
- the performance of the employee, based on management's assessment, on the basis of:
 - ✓ objective criteria, both quantitative and qualitative,
 - ✓ incorporating, depending on the function, a short to long term time scale,
 - ✓ and taking account the respect of sound risk management rules and client's interests.

Criteria taken into account for performance assessment and remuneration depend on the nature of the employee's functions:

Position		Quantitative criteria	Qualitative criteria
Investment Management	Risk-adjusted performance	<ul style="list-style-type: none"> • I/R Sharpe over 1 and 3 yrs • Gross/net performance of the funds over 1 and 3 yrs • Competitive ranking • Net inflows / Successful request for proposals, mandates • Performance fees, if pertinent 	<ul style="list-style-type: none"> • Compliance with risk, compliance and legal rules • Quality of management • Innovation/ Product development • Collaboration/ Sharing of best practices • Commercial engagement
Sales	Net inflows and profitability, consideration of client's interests	<ul style="list-style-type: none"> • Net inflows (achievement of SAP objectives); gross inflows • Profitability of inflows • Market share • Results on sales drives/ specific products 	<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 management and objectives set • Management/ optimisation of expenses 	<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 management and objectives set • Management/ optimisation of expenses 	<ul style="list-style-type: none"> • Depending on the projects managed and objectives set • Quality of client servicing and support to operational staff • Improvement of company's efficiency, contribution to its development • Quality of management • Transversality

The above-mentioned performance criteria, and specifically those applicable to Identified staff in charge of the management of the funds, comply with the applicable regulation as well as to the fund's investment policy. These internal rules contribute to a sound and effective risk management.

Risk alignment

Furthermore, Amundi has adopted and implemented, for its entire staff, measures aiming to align remuneration with long-term performance and risks in order to avoid conflicts of interest. In this respect, notably:

- The deferral policy has been adapted to comply with the AIFM and UCITS Directive requirements, pursuant to a proportionality principle: bonuses are partly deferred over a 3-year period according to a progressive deferral rate of 40% to 60% depending on bonus amount and the concerned staff (identified or not), and paid only provided that the employee meets performance conditions and does not take any excessive risks over the period.
- The deferred portion of bonus for identified staff members is awarded in financial instruments indexed at 100% on the performance of a basket of representative funds managed.
- The payment of the deferred portion is linked to the financial situation of Amundi, with the continued employment within the group and to a sound and effective risk management over the vesting period.