AXA IM Remuneration Policy Disclosure

Applicable to the 2025 Performance Year

1. Governance

AXA IM's Remuneration Policy, which is reviewed and approved by the AXA IM Remuneration Committee every year, sets out the principles relating to remuneration within all entities of AXA IM and takes into account AXA IM's business and risk strategy, objectives, including Sustainability risk-related objectives, Culture and values, and the long-term interests of AXA IM's clients, shareholders and employees.

The AXA IM Remuneration Committee, in line with the remuneration policies and procedures set and validated at AXA IM Shareholder Group level, ensures consistency and fair application of the Remuneration Policy within AXA IM, as well as compliance with applicable regulations.

Remuneration pool allocations and awards are proposed by the CEO and approved by the Remuneration Committee.

2. Remuneration Strategy

AXA IM applies a "pay-for-performance" approach to remuneration, incorporating adjustments for risk considerations, to recognise employees who contribute the greatest value to the firm, considering performance, behaviours, experience and critical skills. The intent of this approach is to attract and retain the best skills and talents, to foster employee engagement and to strengthen AXA IM's leadership while promoting Corporate Responsibility and Responsible Investment that will deliver long term sustainable performance for AXA IM's clients and long-term employability.

3. Remuneration Structure and the Link Between Pay and Performance

Remuneration is structured to reward:

- organisational responsibility, professional experience and skills required of the role, as well as the individual's capability to perform the duties of the role through Fixed Pay;
- short term value creation for clients and AXA IM through Cash Variable Pay based on annual performance;

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- medium term value creation for clients and AXA IM through the Deferred Incentive Plan (DIP (Fund)) which is structured over a four-year period;
- long term value creation for the AXA IM Shareholder Group through the AXA IM Shareholder Long Term Incentive Scheme..

AXA IM Variable Pay (comprising Cash Variable Pay and AXA IM Deferred Pay) and AXA IM Shareholder Long Term Incentive Scheme form the Overall Variable Pay. AXA IM ensures appropriate balance between Fixed and Overall Variable Pay and short and long term Overall Variable Pay.

4. AXA IM Variable Pay Pools and Awards

Annual AXA IM Variable Pay pools are determined globally based on AXA IM profitability, taking into account current and future risks. Allocations of AXA IM Variable Pay pools to functions take into account a range of factors such as profitability, investment performance, risk and compliance factors and other qualitative performance achievements.

In determining individual AXA IM Variable Pay levels, Managers consider annual team and individual performance which is assessed as a combination of specific quantitative and qualitative performance factors. Individual leadership is also taken into account, as well as adherence to risk and compliance policies. AXA IM believes in rewarding not only ‘what’ is achieved but also ‘how’ it is achieved and aims to truly differentiate individual and team performance through the level of AXA IM Variable Pay awarded to individuals.

5. AXA IM Variable Pay Structure

AXA IM operates an automatic deferral policy applicable to all employees whereby a compulsory level of deferral is applied to the employee’s AXA IM TVP, depending on (i) the amount of the employee’s Overall Variable Pay or Total Remuneration (ii) whether the employee is an “Identified Employee” and (iii) the legal entity of the employee.

6. Risk adjustment

AXA IM’s risk management function validates and assesses risk adjustment techniques (which are used in assessing performance, determining AXA IM TVP and ex post risk adjustment) taking

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into consideration all relevant types of current and future risks (including both financial and non-financial risks (e.g. reputation, conduct and client outcomes)).

7. Vesting and malus conditions

The DIP (Fund) award consists of a deferred cash plan indexed to the investment performance of a synthetic basket(s) of AXA IM funds. DIP (Fund) awards vest over a period of four years after grant, subject to risk adjustment (including sustainability risk) and are settled in cash upon vesting unless the AXA IM Board decides otherwise.

The AXA IM Board of Director or the AXA IM Remuneration Committee by delegation may reduce before vesting AXA IM Deferred Pay when certain conditions have been triggered (this is also referred to as malus). Such conditions are:

- Where the financial performance of AXA IM as a whole or of one of its business units has suffered a significant downturn or deterioration; and/or the payment of the Overall Variable Pay would not be sustainable or appropriate according to the financial situation of AXA IM as a whole or the relevant business unit; or
- The investment performance of AXA IM as a whole or one of its investment platforms has suffered a significant deterioration; or
- Where an employee has materially violated AXA IM's Code of Conduct or other key Risk and Compliance policies, there is evidence of serious misconduct or misbehaviour and/ or the employee causes material detriment to the business or reputation of AXA IM or one of its entities; or the employee participated in or was responsible for conduct that resulted in a significant loss to the business unit or AXA IM; or
- Where there is significant failure of risk management in relation to AXA IM, any of its funds or business units; or
- The employee failed to meet appropriate standards of fitness and propriety.

For regulated entities under IFD/IFPR and in some specific circumstances, a clawback mechanism may apply to variable pay awarded to material risk takers (identified employees).

8. Control Functions

Remuneration for Control Functions' staff is intended to be sufficient to attract and retain qualified and experienced employees and to avoid conflicts of interest. Overall Variable Pay is driven by

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the individual's skill set and performance (based on function specific objectives), the market value of the role and AXA IM Group operating income. It is not based on the performance of the business unit which is directly supervised by the Control Functions' employee. Fixed Pay and Overall Variable Pay of Internal Audit team is determined by the AXA IM Shareholder Group Global Head of Audit.

9. Decision making process

The AXA IM Remuneration Committee is responsible for determining and reviewing the AXA IM remuneration guidelines, including the AXA IM Remuneration Policy, as well as reviewing the annual remuneration of senior executives of the AXA IM Group and senior officers in Control Functions.

The AXA IM Remuneration Committee comprises at least three members, of which at least two will be independent and non-executive Board members, including the Chairman. "Permanent guests" with a consultative role include at least the AXA IM Executive Chairman, the AXA IM Head of HR, the AXA IM Global Head of Rewards and from time to time, members of AXA IM's Risk, Control and Internal Audit teams. Employee representatives are annually invited in the context of the annual review of the AXA IM Remuneration Policy. The AXA IM Remuneration Committee meets at least three times during a year.

External consultants (Linklaters) have been employed to provide advice on aspects of the Remuneration Policy. Control Functions have appropriate input into setting the Remuneration Policy for other business units.

10. Identified Employees

The criteria used to determine whether employees are Identified Employees are broadly as follows:

- The employee is a permanent voting member of a governing body of a regulated AXA IM entity[1];
- The employee is a Senior Manager (including Senior Managers under the UK Senior Managers Regime) who effectively conducts the business of an AXA IM entity;

[1] AXA IM entity includes Alternative Investment Fund Management (AIFMs) companies, UCITS and IFD/IFPR regulated AXA IM entities.

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- The employee is in a control function (risk management, compliance or internal audit) and his/her activities could potentially have a significant impact on an AXA IM entity' results and/or balance sheet;
- The employee is a risk taker, including:
  (i) Employees capable of entering into contracts or positions that materially affect the positions of the AXA IM entity or the Portfolios[2] it manages.
  (ii) Distribution employees who have a material impact on the AXA IM entity or the Portfolios it manages.
  (iii) Employees whose activities could potentially have a significant impact on the AXA IM entity results and/ or balance sheet and/or performance of the Portfolios they manage.
- The employee's remuneration is within the same remuneration bracket as the categories above, and the employee has a material impact on a regulated AXA IM entity or the portfolios it manages.

If an employee falls within one of the categories above, or satisfies the criteria prescribed in respect of the Delegated Regulation (EU) 2021/2154 (the "IFD MRT Identification Regulation"), or by IFPR, the employee would be considered an Identified Employee in accordance with the AXA IM Identified Employee Guidelines.

11. Integration of sustainability risks

The European Union published in December 2019 the Sustainable Finance Disclosure Regulation (SFDR) which applies from 10 March 2021.

This regulation requires 'financial market participants and financial advisers' to include in their remuneration policies details of how the policies are consistent with the integration of 'sustainability risks'. Therefore, starting from 1 January 2021, individual and collective objectives will include elements related to the adherence to the sustainability risk framework to be embedded in investment processes. The AXA IM variable pay pools and awards will be determined considering the completion of these objectives.

[2] Funds include Alternative Investment Funds (AIFs), UCITSV and/or mandates.

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