



REMUNERATION POLICY

Primonial REIM Luxembourg SA

TABLE OF CONTENTS

HISTORY	2
1. INTRODUCTION	3
2. SCOPE.....	3
3. REMUNERATIONS IN SCOPE	3
4. REMUNERATIONS IN SCOPE	4
4.1 PROPORTIONALITY PRINCIPLE.....	4
4.2 RISK CONSIDERATIONS IN THE DEFINITION OF THE REMUNERATION POLICY	4
4.3 REMUNERATION COMPONENTS (FIXED AND VARIABLE).....	4
4.4 PERFORMANCE APPRAISAL	5
4.5 BASIS OF CALCULATION AND PAYMENT OF THE VARIABLE COMPONENT	5
4.6 PAYMENT PRINCIPLES	6
5. EARLY TERMINATION OF EMPLOYMENT CONTRACTS.....	7
6. PROHIBITION OF CURCUMVENTING MECHANISMS	7
7. DISCRETIONARY PENSION SCHEMES.....	7
8. GOVERNANCE.....	7
8.1 ANNUAL REVIEW	7
8.2 REMUNERATION COMMITTEE	7
9. PUBLICATION.....	8
9.1 EXTERNAL PUBLICATION	8
9.2 INTERNAL PUBLICATION	8
10. COMPLIANCE WITH THE POLICY.....	8
11. APPENDIX 1 : PROPORTIONALITY CRITERIA (AS OF 30/05/2020)	9

HISTORY

#	Revision Date	Revision Description
1	October 2018	Creation
2	October 2018	Approval (Board meeting of 18/10/2018)
3	April 2019	Annual review (no update)
4	June 2020	Annual review
5	September 2020	Approval (Board meeting of 08/09/2020)
6	September 2021	Change of name and logo

1. INTRODUCTION

The subject Remuneration Policy (hereafter the « Policy ») defines the remuneration principles applicable to the staff of Primonial REIM Luxembourg (hereafter “PREIM LUX”, the “AIFM” or the “Company”), an authorized alternative investment fund manager pursuant to the Luxembourg law of 12 July 2013.

External service providers at the disposal of PREIM LUX through dedicated contracts are excluded from the scope of the Policy.

The Policy aims at establishing a remuneration framework (covering both fixed and variable remuneration) in line with the Company’s long-term performance. Such framework shall allow an alignment of interests between the Company, its staff, its clients as well as the investment funds managed and their investors, whilst mitigating the potential risks of conflict of interest.

In so doing, PREIM LUX takes into consideration the nature and volume of its activities, its size, its internal organization as well as the risks it may be exposed to.

The Policy’s general principles are reviewed on a regular basis by the Board of directors of PREIM LUX (the “Board”), at least annually, upon recommendation of the Remuneration Committee. These principles encompass the general principles set up for the Primonial Group in terms of remuneration. The managers of the Company (the “Conducting Officers”) ensure that these principles are complied with and correctly applied.

The Policy is established in compliance with (i) the 2011/61/EU Directive of the European Parliament and the Council of 8 June 2011 on alternative investment fund managers and (ii) the orientations of the European Securities Markets Authority relative to the remuneration policies applicable to the alternative investment fund managers (ESMA/2013/232).

2. SCOPE

The Policy is applicable to all PREIM LUX staff (full-time and part-time employees), including the staff members employed by the branches and subsidiaries of PREIM LUX (as applicable).

Employees whose activities have a material impact on the risk profile of PREIM LUX, its managed funds and clients (i.e. risk-takers) are in scope of a specific identification and monitoring procedure (“Identified Persons”). The Board members, Conducting Officers as well as PREIM LUX’s Compliance Officer have been identified as Identified Persons.

The different tasks and functions of all the staff members are reviewed annually in order to determine the Identified Persons. The list is reviewed annually by the Remuneration Committee and adopted by the Board.

The review process also ensures that the remunerations granted to this staff category are strictly compliant with the Policy’s principles.

3. REMUNERATIONS IN SCOPE

The Policy applies to the following types of remuneration:

- All payments or benefits from PREIM LUX ;
- All the amounts paid by PREIM LUX's managed funds (including certain types of "carried interest"), and
- Any transfer of units/shares of PREIM LUX's managed funds to the staff members,

in compensation for professional services provided to PREIM LUX.

4. REMUNERATIONS IN SCOPE

4.1 Proportionality principle

The Policy and associated measures have been established in accordance with the size and internal organization of PREIM LUX as well as the nature, scope and complexity of its activities. Following an analysis of these parameters (see Appendix 1) PREIM LUX concluded it could apply the proportionality principle, and therefore is not required to implement any of the following:

- Creation of a remuneration committee ;
- Payment of at least 50% of the remuneration's variable components in financial instruments, and holding obligations applicable to these instruments;
- Deferred payments for at least 40% of the remuneration's variable component;
- Ex-post adjustments for risks for the variable component.

However, on a voluntary basis and in consideration of market best practice, PREIM LUX decided to establish a Remuneration Committee (as further described in the « Governance » section below).

4.2 Risk considerations in the definition of the remuneration policy

PREIM LUX defines and applies a remuneration policy consistent with efficient risk management principles and does not encourage excessive risk-taking.

Variable remuneration is therefore not linked to the realization of a specific investment but takes into consideration the overall risk and performance of PREIM LUX and the managed funds. It is also determined based on the potential risks of conflict of interest and compliance with the conduct codes.

PREIM LUX determines the amount of variable remuneration and its share considering the overall risks it is exposed to. From a risk management perspective, PREIM LUX may reduce materially the pool of variable remuneration for a year where it records poor or negative financial performance, both for PREIM LUX and/or the managed funds.

4.3 Remuneration components (fixed and variable)

The remuneration is individual and negotiated during the signature of the employment contract by the employee's line manager, with the approval of a Board member and the Primonial Group's head of human resources.

This remuneration may be reviewed in line with potential changes in the employee's and PREIM LUX's tasks and functions, within the limits fixed by the global remuneration policy.

The remuneration of staff working in control and compliance functions is set independently from the one set for the staff for which they review or validate the operations. It takes into consideration the achievement of the targets associated with the function. The Remuneration Committee is responsible for the review of remuneration principles applicable to the staff working in control and compliance functions, as well as the review of their remuneration.

Based on the function and the level of responsibility, the remuneration is split into a fixed and a variable component, as follows :

- The remuneration's fixed component of PREIM LUX staff is determined in order to compensate the employee based on the requirements of his/her job, the required level of competence, the effective responsibility and the experience. It is set in accordance with market practice (local or industry-based) and consistency principles within PREIM LUX;
- The variable component is significant enough to allow for a flexible variable remuneration policy (including the possibility not to pay any variable remuneration);
- The fixed and variable components of the remuneration are totally separate. There is no compensation mechanism between both components;
- PREIM LUX does not grant guaranteed bonuses (except, where applicable, when an employee is hired; in which case the guarantee is valid for a year);
- The remuneration's variable component completes (in a balanced way) the fixed component taking into consideration the employee's performance (based on both quantitative and qualitative criteria), his/her department's performance or the managed funds, as well as PREIM LUX's financial performance;
- The remuneration's variable component is determined each year in compliance with the relevant year's remuneration policy and the remuneration guidelines applicable as of that date. This determination also considers the local labor law as well as regulations applicable to PREIM LUX.

PREIM LUX's Remuneration Committee members can receive a specific fixed remuneration ("jeton de presence") for their mandates as board members to encourage their presence and implication within the board. These specific remunerations are designed in a way that avoids conflict of interests and guarantees their independent judgement on the suitability of the remuneration policy and appraisal.

4.4 Performance appraisal

PREIM LUX implements an appraisal process for its staff in line with the following principles:

- Individual performance is assessed through a review procedure formalized annually during the annual appraisal meeting ;
- The appraisal process is based on qualitative (e.g. client satisfaction, compliance with internal procedures, attendance to training, etc.) and quantitative criteria summarized in the annual appraisal meeting summary;
- Performance appraisal is considered on a multiple-year perspective to ensure long-term performance is considered.

4.5 Basis of calculation and payment of the variable component

PREIM LUX determines the basis of calculation of the variable component to ensure consistency between the staff's behavior and PREIM LUX's long-term objectives.

As an example, PREIM LUX ensures that the acquisition and disposal of a real estate asset are reviewed through a collegial process aimed at assessing the long-term benefits of the investment, in consideration of the management objectives for the relevant portfolio(s).

PREIM LUX's teams are remunerated based on a global pool and not directly linked to equity raising or the performance realized on a single product or range of products. Instead, the approach retained is a global one.

The share of personnel costs allocated to bonuses should not jeopardize PREIM LUX's economic situation. The payment of bonuses for employees whose variable component represents a significant share in the personnel costs should be done after closing of the financial accounts and the determination of the Company's net result.

PREIM LUX also monitors closely its compliance with its obligations in terms of regulatory capital.

4.6 Payment principles

Where applicable, the remuneration's variable component is paid after the Remuneration Committee's meeting signing-off on the remunerations to be paid for the previous year. It is foreseen that the deferred part of the variable remuneration may not be paid in its entirety.

A penalty is consistently applied in the following cases :

- The employee is in a "bad leaver" situation: in case of behavior qualifying as gross misconduct – it should be noted that the qualification of gross misconduct will be assessed according to the principles of the local labor law and applicable case law;
- PREIM LUX is in a fragile financial situation.

No mechanism of pay-back of the amounts already paid to the employees (claw back mechanism) is foreseen.

5. EARLY TERMINATION OF EMPLOYMENT CONTRACTS

Payments linked to the early termination of an employment contract are linked to long-term performance and are determined in order to not reward failure.

6. PROHIBITION OF CURCUMVENTING MECHANISMS

PREIM LUX ensures not to pay variable remuneration through instruments or methods that would allow to circumvent the Policy's principles.

The relevant personnel is required to commit not to engage in hedging or insurance strategies linked to remunerations in order to circumvent the applicable regulation.

7. DISCRETIONARY PENSION SCHEMES

PREIM LUX staff members do not benefit from discretionary pension schemes. Should such pension schemes be implemented, PREIM LUX would ensure that they are compliant with applicable regulations.

8. GOVERNANCE

8.1 Annual review

The implementation of the Policy is subject to a review – at least annually. This central and independent internal review ensures that the implementation of the Policy is compliant with the principles adopted by the Board.

For this purpose, PREIM LUX will rely on its Compliance Officer, working in collaboration with the Remuneration Committee whose scope and operating conditions are detailed in its charter.

8.2 Remuneration Committee

As described above, PREIM LUX – although having considered that it could benefit from the proportionality principle – decided, on a purely voluntary basis, and in an attempt to avoid conflicts of interest, to set up a Remuneration Committee.

The Remuneration Committee is composed of the members of the Board of directors of PREIM LUX as well as the Head of Human Resources and the Chief Financial Officer or Senior Manager (i.e. the General Secretary) of the Primonial Group.

The Remuneration Committee is responsible for preparing the decisions related to remuneration, in particular those impacting the risk profile and risk management framework of PREIM LUX or the managed funds. The Board is requested to sign-off on such decisions, and determines in particular the variable remuneration of the Conducting Officers. The Conducting Officers are excluded from the vote on their own remuneration.

The Remuneration Committee is chaired by one of the Board members with no executive function within PREIM LUX.

9. PUBLICATION

9.1 External publication

Information on the remuneration of the PREIM LUX staff is disclosed through an annual report for each fund managed.

9.2 Internal publication

PREIM LUX ensures that each of its staff members is regularly informed of his/her level of remuneration, the criteria used to assess the performance as well as the link between performance and remuneration. The Primonial Group's Human Resources department is in charge of this communication.

10. COMPLIANCE WITH THE POLICY

The Primonial Group's Human Resources team ensures that the Policy is complied with when PREIM LUX hires a staff member and during his/her career within the Company, as well as when determining the remuneration's global amount. This control is adjusted each time the Policy is reviewed.

The controls are evidenced through:

- The setup of an employment contract template;
- The annual monitoring of a summary table on PREIM LUX staff remunerations;
- The payment of variable remuneration after reception of the signed minutes of the Remuneration Committee (signature by its chairman).

A second line review is performed by the Compliance Officer who:

- Ensures that the Human Resources department performed the first-line level controls as described above;
- Reviews the implementation of the Policy on an annual basis, in collaboration with PREIM LUX's Remuneration Committee;
- Ensures compliance with the Policy:
 - Regular meeting of the governance bodies;
 - Evidence of a list of persons qualifying as Identified Persons.

11. APPENDIX 1 : PROPORTIONALITY CRITERIA (AS OF 30/05/2020)

a. PREIM LUX's internal organization

- Legal form : société anonyme
- Complexity of the internal governance structure: classical structure (unitary organization) administered by a Board of directors

b. Nature and complexity of PREIM LUX's activities

- Authorized activities: alternative investment fund manager pursuant to Article 5, Chapter 2 of the law of 12 July 2013 on alternative investment fund managers (i.e. no extended license, no management of UCITS, etc.).
- Investment strategies of the alternative investment funds the Company is authorized to manage (based on Annex IV of the Delegated Regulation 231/2013/EU of the Commission of 19 December 2012:
 - Real Estate Fund