



REMUNERATION POLICY

Primonial REIM Luxembourg

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1. GLOSSARY

Term	Description
AIF	Alternative Investment Fund (and sub-funds where relevant)
AIFM	Alternative Investment Fund Manager according to the Chapter 2 of the Law of 12 July 2013 on Alternative Investment Fund Managers
Board	The Company's Board of Directors
Company	Primonial REIM Luxembourg (including subsidiaries and branches, if any) which is an AIFM.
Compliance Officer	Person responsible for the permanent compliance function of the Company
Conducting Officers	The persons responsible for the management of the Company, authorized by the CSSF., together known as the "Management Committee".
CSSF	Commission de Surveillance du Secteur Financier
Funds	AIFs for which the Company acts as AIFM.
Identified Staff	<p>Employees whose activities have a material impact on the risk profile of the Company, its Funds and Fund's clients (i.e., risk-takers) are in scope of a specific identification and monitoring procedure ("Identified Persons"). The Board members and Conducting Officers have been identified as Identified Persons.</p> <p>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 Compliance Officer and presented to the Board.</p>
Policy	The present remuneration policy
Remuneration	Payment or compensation received for services or employment which may include both a fixed and a variable component. Remunerations which include exclusively a fixed component are not in the scope of the Policy.
Staff	The Company's workforce, irrespective of the nature of their relationship with the Company.

Term	Description
Sustainability Risk	Environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment (SFDR).

2. INTRODUCTION & LEGAL FRAMEWORK

The company, as authorised manager, will ensure compliance with the requirements set out in the legal texts detailed in the table below:

	Description
EU level	The AIFMD : Directive 2011/61/EU of the European parliament and of the council of 8 June 2011 on AIFMs.
	The AIFMR : Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU
	Guidelines on sound remuneration policies under AIFMD (ESMA/2013/232 and ESMA/2016/579)
	Commission recommendation of 30 April 2009 on remuneration policies in the financial services sector (2009/384/EC)
	SFDR : Regulation 2019/2088 of the European parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector
	ESMA Questions and answers on the application of the AIFMD (ESMA34-32-352)
Luxembourg law	The AIFM Law : Law of 12 July 2013 on Alternative Investment Fund Managers
CSSF Circulars	Circular CSSF 10/437 regarding the guidelines concerning the remuneration policies in the financial sector
	Circular CSSF 18/698 regarding the authorisation and organisation of investment fund managers incorporated under Luxembourg law and specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent

3. SCOPE

The Policy applies to Staff, in particular to Identified Staff.

The Policy does not apply to Company's external service providers.

4. GOVERNANCE

The Policy provides principles and guidelines which aim at ensuring that:

- The Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with Funds;
- The Policy is consistent with the Company's approach to the integration Sustainability Risks and does not encourage excessive risk-taking with respect to Sustainability Risks;
- The Policy is in line with the business strategy, objectives, values and long-term interests of the Company and the Funds, and include measures to avoid conflict of interest;
- The staff members are appropriately compensated for the services rendered to the Company;
- The staff members are motivated to perform in the best interest of the Company and the Funds; and
- Remuneration is determined with a view to ensure equity and consistency across the Company and compliance with regulations and laws applicable to the Company.

The governance framework of the Policy's general principles involves different levels of responsibility:

- The Board adopts the Policy, periodically reviews it and is responsible for its implementation.
- The Conducting Officers ensure that these principles are complied with and correctly applied.
- At least annually, the compliance and/or internal audit functions independently review the implementation of the Policy in cooperation with the human resources department.

The Company ensures that the remuneration of the staff members is appropriate to their responsibilities, expertise, tasks and powers.

5. PROPORTIONALITY PRINCIPLE

The Policy and associated measures have been established in accordance with the size and internal organisation of the Company as well as the nature, scope and complexity of its activities.

The Company has decided to opt for the application of the proportionality principle based on below elements:

- The size criterion which relates to the value of the Company's capital and to the value of the assets under management (including any assets acquired using leverage) of the Funds; liabilities or risks exposure of the Company and of the Funds; as well as the number of Staff members.

- The internal organisation which relates to the legal structure of the Company or the Funds, the complexity of the internal governance structure of the AIFM, the listing of the Company or the Funds on regulated markets.
- the nature, scope and complexity of the activities which takes considers the underlying risk profiles of the business activities that are carried out and relevant elements can be:
 - The type of authorised activity;
 - The type of investment policies and strategies of the Funds;
 - The national or cross-border nature of the business activities (AIFM managing and/or marketing AIFs in one or more EU or non-EU jurisdictions); and
 - The additional management of UCITS.

The analysis of the applicability of the proportionality principle is undertaken annually. The AIFM shall perform an assessment for each of the remuneration requirements that may be dis-applied and shall be able to explain to competent authorities, if requested, the rationale for every single requirement that is dis-applied. A copy of the proportionality assessment is presented to the Management Committee and the Board.

The proportionality principle allows the Comply to not apply the following requirements:

- 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.

6. REMUNERATION STRUCTURE

The Policy applies to the following types of remuneration:

- All payments or benefits from the Company;
- All the amounts paid by the Funds, including carried interest, if any; and
- Any transfer of units/shares of the Funds, if any;

made for the benefit of the staff members.

The remuneration may consist of a fixed and variable remuneration as detailed further in the Policy.

The Company ensures that fixed and variable components of total remuneration are appropriately balanced, and the fixed component represents a sufficiently high proportion of the total remuneration, i.e., the variable component should be less than 100% of the fixed component. Within these parameters, flexibility regarding the variable remuneration is ensured, including the possibility to pay no variable component.

Payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure.

The Company does not have a pension policy for Staff members. If should such pension plans were to be set up, the Company would ensure that they comply with the applicable legal requirements.

6.1. Fixed remuneration

The fixed component of the Company's remuneration is determined in such a way as to remunerate Staff according to the requirements of their position, the level of competence required, the actual responsibility and experience. It is set according to market practices (local or industry based) and the principles of consistency within the company. Benefits are reviewed regularly, and the company reserves the right to change the structure and provision of benefits after appropriate consultation.

6.2. Variable remuneration

In addition to the fixed components described in section above, Staff members may receive, on a purely discretionary and non-contractual basis, variable remuneration in cash, pursuant to a performance assessment, as described below.

The fact that a staff member receives an award of variable remuneration in one year does not imply that they will receive variable remuneration in any subsequent year or that the amount of the variable remuneration paid, if any, will be the same. The payment of variable remuneration, even if it is made repeatedly or regularly and regardless of the amount paid, does not imply, or lead to a vested right for the Staff member. Guaranteed variable remuneration is exceptional, occurs only in the context of new hires and is limited to the first year.

Eligibility for an award of variable remuneration is subject to the condition that the relevant member of staff remains in active employment with the Company and is not serving notice (whether given by the Staff member or the Company for any reason) at the time the variable remuneration would otherwise be payable.

- 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 the Company.
- When assessing the performance of a Staff member, the Company applies an approach based on aligning the personal objectives of that Staff member with the long-term interests of the Company and/or the Funds and/or wider Primonial group and considers the long-term performance of that Staff member by assessing current performance and developing plans for delivering future improvements.
- The Company ensures that the assessment of performance used to calculate the amount of variable remuneration to be allocated to the Staff members has been determined by considering the full range of current and potential risks associated with activities undertaken.

- Subject to section 6.3 below, the total amount of remuneration shall be based on a combination of the assessment of the performance of the individual and of the overall results of the Company and/or the Funds and/or the wider Primonial group. As an example, the Company 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). Staff are remunerated based on a global pool and not directly linked to equity raising or the performance realised on a single product or range of products. Instead, the approach retained is a global one.
- Individual performance is assessed through a review procedure formalised 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 summarised in the annual appraisal meeting summary.
- The Company does not allow Staff members to use personal hedging strategies or insurance related to remuneration - and liability - to undermine the risk alignment effects of the principles set out in the Policy.
- Variable remuneration is not paid through instruments or methods that would circumvent the principles set out in the Policy.

The Board has the right to require Staff to repay all or part of the variable remuneration that has been awarded for performance based on data subsequently proven to be fraudulent.

The Board members can receive a specific fixed remuneration for their mandates. These specific remunerations are designed in a way that avoids conflict of interests and guarantees their independent judgement on the suitability of the Policy.

6.3. Remuneration of the control functions

The remuneration structure of control functions should not compromise their independence or create conflicts of interest. Staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the Board.

7. THE COMPANY'S INTEGRATION OF SUSTAINABILITY RISKS CONSIDERED IN CONNECTION WITH THE ASSESSMENT OF REMUNERATION OF IDENTIFIED STAFF AS DESCRIBED IN SECTIONS 6.1 AND 6.2 ABOVE

7.1. External disclosure

AIFMD: The Company is required under the AIFMD to make quantitative disclosures of remuneration. These disclosures are made in line with the Company's interpretation of currently available regulatory guidance on quantitative remuneration disclosure.

SFDR: The Company is required under SFDR to include in the Policy how it is consistent with the integration of sustainability risks (see section 6.4) and publish that information on its website.

7.2. Internal disclosure

The Company ensures that the Policy is accessible to all Staff members.

The criteria used to assess performance as well as the link between performance and remuneration are communicated to each Staff member and the appraisal process adopted is documented and transparent. The Primonial Group's Human Resources department is in charge of this communication.

8. PERIODIC REVIEW

Compliance in cooperation with the human resources department will review the Policy at least annually or upon any material change to the Company's business or operations and upon any other change in circumstances that may have a material impact upon the Policy and its effectiveness.