

Shaftesbury Fund Management (Luxembourg) S.A.

Voting Right Policy

dated September 2017

Approved on 14 September 2017 by the Board of Directors

1. Introduction

- a) This document has been issued and approved by the board of directors (each a “Director” and collectively the “Board”) of Shaftesbury Fund Management (Luxembourg) S.A. (the “Company”).
- b) This document purports to fulfill the requirements of Article 37 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council on alternative investment fund managers (the “AIFMD”) with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the “AIFM Regulation”).
- c) The Company is a public limited liability company (*société anonyme*) authorised under article 125-2 of the law of 17 December 2010 and acts as alternative investment fund manager (“AIFM”) within the meaning of the Luxembourg Law of 12 July 2013 on alternative investment fund managers. The Company is the appointed external AIFM of Shaftesbury Real Estate Partners 1 SCSp SICAV-SIF (the “Fund”), a closed-ended fund formed as a Luxembourg special limited partnership qualifying as an alternative investment fund (“AIF”) within the meaning of the AIFMD.

The prospectus of the Fund provides that the Fund will invest in European real estate and real estate-related assets, portfolios, joint ventures and operating companies, partly through opportunistic investments and partly through added value investments (see 2. hereafter).

2. Voting rights attached to European real estate and real estate-related assets, portfolios, joint ventures and operating companies, partly through opportunistic investments and partly through added value investments

The Fund’s objective is to provide investors with superior risk adjusted returns through investments in European real estate and real estate-related assets, portfolios, joint ventures and operating companies, partly through opportunistic investments and partly through added value investments. In other words, the Fund’s main objective is to provide shareholders with attractive returns from real estate investments whilst spreading investment risk.

Investments will be held indirectly through a series of entities themselves held through one or more intermediate holding vehicles established by the Fund. Together with the help of leading legal and tax counsels, the Company will advise on the appropriate structures to be put in place by the Fund. Thus, the Fund always keeps, directly or indirectly, the control on all the structure.

The Company shall generally not participate in the general meetings of investors/owners of properties acquired directly or indirectly (via a Special Purpose Vehicle) by the Fund but may on a case by case basis participate if the interests of the Fund so require. In any case, the Company shall closely monitor that the vote done in the general meetings of the series of entities through which the investment is done follows its own convictions, on a grounded basis and in line with the Fund's investment objectives and always with the shareholders' interests in mind.

The Company will follow the following guidelines when monitoring the vote at such meetings in order to implement a responsible property investment policy into the management of investments at property and Fund level:

- monitor all relevant corporate actions in relation to the Fund's voting rights and ensure that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant Fund;
- develop environmentally, economically and socially positive attributes of the property (e.g., low-income housing or green buildings);
- improve the environmental, economic and social performance of the property (e.g., energy efficiency, on site power generation, disability upgrades, natural light exploitation or other environmentally and socially responsible improvements);
- manage properties in environmentally, economically and socially beneficial ways (e.g., green leases, resource use and waste & recycling benchmarking practices to improve performance, fair labour practices for service workers or simply using environmentally friendly cleaning methods and products);
- demolish part or all the property buildings in a conscientious manner (e.g., reusing recovered materials on-site for new development).

* * *