

Shaftesbury Fund Management (Luxembourg) S.A.

## Conflicts of Interest Policy

dated 11 May 2022

Person in charge of this process: the conducting officer in charge of the risk management  
Last version approved by the Board of Directors on 11 May 2022

1. This document has been issued and approved by the board of directors (each a “**Director**” and collectively the “**Board**”) of the Company.
2. This document purports to fulfil the requirements of Article 14 of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (“**AIFMD**”), as supplemented by the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2010/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the “**AIFM Regulation**”).
3. 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.
4. The Company is the appointed 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 Company has appointed:
  - (a) Three conducting officers within the meaning of AIFMD (the “**Conducting Officers**”) who form together the management committee of the Company (the “**Management Committee**”);
  - (b) Miles d’Arcy-Irvine and an independent based director, as members of the overview committee of the Company (the “**Overview Committee**”).
5. Pursuant to Article 14 (1) of the AIFMD and the AIFM Regulation, the Company is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the AIF(s) and their investors.
6. In light of the above, the Board has adopted this policy which aims to identify, with reference to the activities carried out by or on behalf of the Company, including activities carried out by a delegate, sub-delegate, external valuer or counterparty, and to prevent manage and monitor any circumstances constituting, or giving rise to a conflict of interest entailing a material risk of damage to the interests of the fund(s) under management or its investors, it being understood that, in spite of its efforts, the Board may never exclude that conflicts of interest do nevertheless arise from time to time.

7. This policy will be reviewed at least on a yearly basis by the internal auditor and shall be updated each time the Board deems it necessary based on its experience and/or due to changes affecting the Company and the various parties involved in respect thereof.
8. It is in that context that the below describes the starting point of the Board to define the current policy, identify the persons in relation to whom potential conflicts might exist/arise, the actions taken to prevent such conflicts and provide guidelines regarding the management and monitoring of conflicts.
9. The starting point of the Board to define this policy is that, generally speaking, a conflict of interest may arise when the Company, a relevant person or a person directly or indirectly linked by way of control to the Company:
  - (a) is likely to make a financial gain, or avoid a financial loss, at the expense of the fund(s) under management or its investors;
  - (b) is likely to be negatively impacted by the redemption made by certain investors wishing to redeem their investments and those wishing to maintain their investments in the fund(s) under management, as well as any conflicts arising through the Company's incentive to invest in assets the features of which (e.g. in terms of liquidity level) opposed to the profile of the fund(s) under management;
  - (c) has an interest in the outcome of a service or an activity provided to the fund(s) under management or its investors or another client or of a transaction carried out on behalf of the fund(s) under management or another client, which is distinct from the interest of the fund(s) under management in that outcome;
  - (d) has a financial or other incentive to favour:
    - the interest of another client or group of clients over the interests of the fund(s) under management;
    - the interest of one investor over the interest of another investor or group of investors in the fund(s) under management;
  - (e) carries out the same activities for the Fund and for another AIF or client; or
  - (f) receives or will receive from a person other than the funds under management or its investors an inducement in relation to collective portfolio management activities provided to the fund(s) under

management, in the form of monies, goods or services other than the standard commission or fee for that service;

with each of such a person being referred to as a “**Relevant Person**”.

10. The Board has developed an adequate policy to prevent or manage and monitor each conflict of interest resulting from the exercise of voting rights attaching to the instruments held by the funds under management.

11. In order to ensure proper implementation of the current policy, the conducting officer in charge of the risk management (the “**Conducting Officer in charge of the Risk Management**”) has been designated to more specifically supervise the implementation of this policy, manage and monitor any conflict and report concomitantly to the Management Committee and to the Overview Committee any relevant matter as above mentioned. The Conducting Officer in charge of the Risk Management shall prepare every time a new risk appears, written reports to the attention of the Management Committee and the Overview Committee on the activities undertaken by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of the fund(s) under management or its investors has arisen or, in the case of an ongoing activity, may arise. All references to the Management Committee here below shall be construed accordingly.

12. The following general precautions have been taken to mitigate the risks of conflicts of interest:

(a) General Prohibition on Personal Transactions

Transactions by any member of the Board, of the Management Committee or other related person including the real estate asset managers working for the fund(s) under management as well as any employee of the Shaftesbury Asset Management Group (the “**SAM Group**”) in any securities which are also investments of the fund(s) under management are prohibited.

The Management Committee under the supervision of Conducting Officer in charge of the Risk Management will have to ensure that all members of the Board, of the Management Committee and all employees of the SAM Group have signed a declaration confirming they are aware and they accept this prohibition (see template of the confirmation in [Appendix 1](#)).

(b) Prevention of Undue Influence

The Company’s investment committee (the “**Investment Committee**”) will include in its reports to the Management Committee, the Overview Committee and the Board a declaration of any potential or actual conflicts of interest it perceives in the conduct of its activity. If the Investment Committee contemplates an investment in a security:

- that might result in financial gain to the Company or its related persons to the detriment of the investors in the fund(s) under management;
- that might be the result of inappropriate influence over the portfolio management function;
- in which there is a financial incentive or compensation benefit that might give rise to a conflict of interest;
- in which the counterparty is another entity managed or advised by the Company or a related person; or
- in the event that the security is also held by another entity managed or advised by the Company, where that other entity engages in a similar transaction on more favorable or preferential terms,

such investment will be considered prohibited absent the express prior approval of a majority of non-interest Directors by resolution or vote.

13. The Company has adopted the following guidelines to be implemented where a conflict of interest arises:

- (a) The management of potential conflicts of interest is performed through holding an internal register of conflicts of interest ([Appendix 2](#)). This register is opened and fed, as soon as any new potentially risky situation is identified.

Major potential conflicts of interest identified to date in relation to activities carried out by the Company are in the following areas:

- acquisition / disposal of assets;
- allocation of investment opportunities among different AIFs;
- operational management of assets (including rental);
- managing the relationship with investors of the managed AIFs;
- terms of use of external service, or,
- employees.

- (b) The Conducting Officer in charge of Risk Management will at any time be entitled to consult the Overview Committee, should it wish to discuss any issue identified in the implementation of this policy. Where it identifies or is made aware of a conflict, the Conducting Officer in charge of risk management will:

- analyse the opportunity to escalate the conflict to the entire Board;
- automatically report any conflict concerning a member of the Investment Committee to the Overview Committee, and,

- keep record of the conflict and of the reasons why it has been decided to escalate it to the Overview Committee or the entire Board or not.
  - (c) To the extent applicable, all decisions or positions of the Overview Committee/Board will be recorded in the meeting minutes of the Overview Committee/Board, which will take all necessary action to remedy the conflict.
  - (d) When the conflict (or potential conflict) involves in any way whatsoever, the Board (or any of its members) or one of the Conducting Officers of the Company, the conflict will automatically be reported to the entire Board, which will solve it in the best interests of the fund(s) under management, keep a record of its decision and document the reasons therefore.
  - (e) Any relevant person not feeling confident that the measures / procedures detailed above / to which it is subject are capable of preventing risks of damage to the fund(s) under management / its investors shall disclose its doubts to the Conducting Officer in Charge of the Risk Management.
  - (f) Any direct link between the remuneration of Relevant Persons principally engaged in one activity and the remuneration of, or revenues generated by, different Relevant Persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities, will be removed by the Board.
  - (g) Where a person exercises inappropriate influence over the way in which a Relevant Person carries out collective portfolio management activities, the Management Committee will be informed without any delay.
  - (h) No Relevant Person shall be simultaneously or sequentially involved in separate collective portfolio management activities where such involvement may impair the proper management of conflicts of interest.
  - (i) Any Relevant Persons, whose principal functions involve carrying out collective portfolio management activities on behalf of, or providing services to, clients or to investors whose interests may conflict, or who otherwise represent different interests that may conflict with the interests of the fund(s) under management, will be separately supervised in accordance with the guidelines adopted by the Company.
14. Where the organisational or administrative arrangements made by the Company for the management of conflicts of interest were not sufficient to ensure, with reasonable confidence, that risks of damage to the

interests of the fund(s) under management or of its investors will be prevented, the Management Committee shall be promptly informed in order to take any necessary decision or action to ensure that the Company acts in the best interests of the fund(s) under management or its investors. In such situations, the Management Committee will furthermore disclose the general nature or sources of conflicts of interest to the investors of the fund(s) under management before undertaking business on their behalf by way of a description of this conflict of interest:

- (a) in a letter sent to every investor of the fund under management, and if that fund has a website, in a statement published on the web site accessible to the investors via their private access,
- (b) in the conflict of interest register available at the registered office of the Company, and,
- (c) in the annual report of the fund under management.

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**Appendix 1**

**Template of the personal transactions declaration**

The following transactions by any member of the board of directors of Shaftesbury Fund Management (Luxembourg) S.A., by any member of its management committee or by any other related person (including the real estate asset managers working for [name of the fund] as well as by any employee of the Shaftesbury Asset Management Group) are prohibited:

- Transactions in any securities which are also investments of the [name of the fund], and,
- Acquisition of real estate assets sold by the [name of the fund].

In addition, real estate transactions above EUR 5,000,000 or equivalent in foreign currency (apart from the primary or secondary residence) must be reported if they are made in the geographical area targeted by [name of the fund].

I, the undersigned, hereby agree to the above requirements.

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[Name of the signatory]  
[Name of the company]  
[Date]



Appendix 2  
Template of the Conflict of interests' register

Identification of the person or units concerned by the conflicts of interests:	Date advised of interest:	Description of the conflicts of interest, its nature, and potential or actual impacts :	Description of the actions taken, envisaged solutions, and chosen measure:	Arrangements for investors information:
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Refer to the separate document: "Conflict of interests register"