

AEW INVEST GMBH REMUNERATION POLICY

This policy sets out the remuneration principles in force within AEW INVEST. It reflects the company's principles and values and aims to establish a compensation framework for employees in accordance with the legal and regulatory provisions arising from the application in Germany of the AIFM Directive including section 5 para. 2 and section 37 of the German Capital Investment Act (GCIA) in conjunction with the German Securities Trading Act. It has been drawn up in accordance with the guidelines of the European Securities and Markets Authority (ESMA) and of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Additionally, AEW INVEST is through its single shareholder, AEW Europe SA, part of the AEW Europe Group and NATIXIS IM Group and its respective remuneration programs.

Staff will be rewarded according to their contribution to the growth of the company in a manner that encourages and motivates, with a view to acting, at all times, in the interest of investors and the company. The purpose of this policy is to describe the processes AEW follows to ensure that employees are compensated in an appropriate manner.

This policy applies to all AEW INVEST staff.

1. General principles of the compensation policy

The policy is based on overriding general principles that enable AEW INVEST to comply at all times with applicable regulations and, in particular, promote alignment between the interests of employees and investors. These general principles are as follows:

- Application of the AEW Compliance Guideline, including the consideration of any possible conflicts of interest.
- Promotion of sound and effective risk management to avoid any risk-taking that is not compatible with the risk profile and internal rules of the funds under management.
- Alignment with the economic strategy, objectives, values and interests of AEW, the vehicles it manages and investors of such funds.
Ongoing consideration and monitoring of conflicts of interest.

The policy governs all elements of staff compensation, including fixed remuneration and, where applicable, variable remuneration.

Fixed remuneration rewards skills, professional experience and level of responsibility. It also takes market conditions into account.

Variable remuneration is based on an assessment of the following criteria:

- Performance of the firm and wider group.
- Where relevant, the performance of the funds under management.

- Individual performance.

This assessment takes into account quantitative and qualitative factors, which may be established on an annual or multi-year basis.

Definition of performance

The application of AEW INVEST's compensation policy is tied to an objective and transparent assessment of annual and multi-year performance based on pre-defined objectives. This ensures fair and selective treatment of employees. The assessment is performed jointly by the employee and their manager during the individual appraisal interview.

The contribution and performance level of each employee is assessed in light of his other functions, duties and level of responsibility. In this context, the compensation policy makes a distinction between the following categories of staff:

- **Managers**

A manager's performance is assessed against quantitative (e.g. financial performance) and qualitative (e.g. implementing corporate culture) criteria that takes account of an individual's contribution to implementing the company's strategy as well as the ability to develop high-quality products.

- **Investment strategy and fund managers**

Remuneration paid according to the performance of specific investment strategies is structured to align with investor interests. A performance assessment is carried out on the basis of objective quantitative criteria (where relevant), as well as qualitative criteria such as customer satisfaction.

The quantitative criteria are intended to incentivise the realisation of investor objectives without exposing clients or AEW to undue risk. Where relevant, these quantitative criteria are calculated over a pre-defined period in line with the performance horizon of the funds under management.

Finally, specific criteria including sustainability-related risks, i.e. environmental, social and governance objectives, have to be implemented for all members of the fund management teams.

- **Control and risk functions**

The performance of control functions (risk and compliance) is determined independently of the business lines whose operations they monitor and challenge. It takes into account qualitative criteria such as team or project management, the quality of reporting and the contribution to strategic and/or regulatory matters. The criteria are defined appropriately so as to avoid compromising the independence of these functions or the creation of conflicts of interest with the activities they control.

- **Business development functions**

The performance of the business development functions is assessed on their ability to support the development of the company, largely on the basis of fundraising and expansion of AEW's customer base, as well as qualitative criteria such as the promotion of AEW Group's expertise, or team management.

- **Support functions**

The performance of the support functions is assessed based on their ability to support the company's strategic objectives. Annual performance is assessed according to the quality of recurring activity and/or the degree of participation in cross-functional, strategic or regulatory projects.

- **All staff**

Performance assessments for all categories of staff include adherence to regulations and internal policies relating to risk management and compliance. All quantitative and qualitative objectives are defined and communicated to each individual at the beginning of the year, in line with AEW's strategic objectives. Objectives may be amended as necessary as the year progresses.

2. Compensation components

The terms 'compensation' or 'remuneration' refer to all forms of payment or benefits paid by AEW or an AIF in return for professional services rendered by employees. Compensation includes the following components:

- **Fixed remuneration**

An employee's fixed salary remunerates the skills, professional experience, level of responsibility and expertise expected for a function. Fixed salaries are reviewed annually by the Senior Management of AEW INVEST, with the support of the Human Resources department, based on the proposals made by managers. This annual review makes it possible to verify the consistency of compensation within AEW and its positioning relative to that of the market (based on the remuneration surveys in which the AEW Group participates in). A reappraisal outside of this periodic review is possible only in the event of promotion, professional mobility or exceptional individual situations.

- **Variable remuneration**

Individual variable remuneration

AEW's annual variable remuneration pool is set according to a documented procedure which takes account of the AEW Europe Group's annual results but also based on qualitative elements such as the practices of competing companies, market conditions and any factors that may have temporarily influenced the performance of a business line.

Where individual variable remuneration is awarded, it is done so on a discretionary basis and as part of the annual compensation review. The level at which variable remuneration is set takes account of both individual and collective performance, measured at the level of the management company and AEW in Europe. The variable remuneration awarded to employees will be adjusted negatively or even cancelled in the event of inadequate risk and compliance management, or non-compliance with regulations and internal procedures.

The identified population must fulfil obligations regarding risk and compliance rules. Failure to fulfil these obligations may result in a partial reduction or non-payment of the individual variable remuneration allocation.

In the event of a loss or a significant decrease in its results, AEW INVEST may also decide to reduce or completely cancel the pool allocated to individual variable remuneration, as well as, where applicable, payments for already allocated and deferred variable remuneration.

Likewise, in the event of a major risk in terms of sustainability, i.e. the occurrence of an event or situation in the environmental, social or governance field that would have a significant and lasting negative impact on the value funds / products managed, the envelope allocated to individual variable remuneration may be reduced or even canceled, as well as, where applicable, payments for already allocated and deferred variable remuneration.

Promotes

Certain funds or mandates managed by AEW INVEST or other AEW management entities in Europe provide for the payment of a performance bonus to the management company. This performance bonus is earned when the fund reaches its term or when specified criteria have been met during the term of the mandate. A percentage of this performance fee may be allocated to key individuals at the inception of the fund or mandate. Payment is only made when the performance fee has been earned and paid to the management company. The employees concerned are systematically informed of the terms applicable to the promotes. This mechanism falls within the scope of the AIFM Directive.

Guaranteed variable remuneration

Bonuses or variable remuneration are not guaranteed except in the context of recruitment and then only in respect of the first year.

Compensation in the event of early departure

“Golden parachute” type arrangements are prohibited. Payments relating to early termination of the employment contract are defined in accordance with the law (statutory and contractual pay) and the performance of the beneficiary, his or her activity as a member and the management company as a whole over the long term, and are designed so as not to reward failure.

Variable remuneration is not paid in the form of instruments or methods that facilitate the circumvention of the requirements established in the regulations.

Mechanisms to retain key employees

AEW INVEST may at its discretion allocate a proportion of the variable remuneration pool in the form of a long term incentive plan (“LTIP”). The LTIP is applied to individual variable remuneration above certain thresholds to be determined each year by the Remuneration Committee of AEW Europe SA.

Any amounts awarded under the LTIP will be in the form of cash indexed to the average performance, calculated over a rolling three-year period, of an overall basket of funds managed by the AEW Europe Group. The funds will comprise all the assets measured by MSCI as well as assets within a number of retail funds managed by AEW in France. The funds selected will be designed to ensure a representation of funds managed across the AEW Europe Group.

Amounts allocated under the LTIP will vest in equal tranches over a minimum period of 3 years, thereby aligning employee variable remuneration with the performance of AEW and the vehicles it manages on behalf of AEW's investors.

Payments are subject to conditions of presence and the absence of unusual behaviour that may have an impact on the risk level of AEW INVEST and/or the products managed by it. These tranches may need to be refunded in full or in part if subsequent adjustments to the risk levels are identified.

Balance between fixed and variable remuneration

AEW INVEST ensures that there is an appropriate balance between the fixed and variable remuneration. In particular, the fixed component will represent a sufficiently high proportion of the overall compensation so that decisions on variable remuneration have maximum flexibility, including the ability not to pay it at all. The variable remuneration should in general not exceed the fixed remuneration.

All situations for which the variable remuneration corresponds to more than two times but not more than three times the fixed level of remuneration, which can be explained by market practice and/or the level of responsibilities, performance and exceptional behaviour, are documented by the Human Resources Department as part of the annual compensation review..

In exceptional situations, the variable remuneration can exceed three times the fixed level of remuneration. This can be justified, for example, by the special requirements profile of the respective employee. Such cases will have to be submitted to BaFin for review on the appropriateness. Such a submission for case-by-case examination should be made as early as possible, i.e., if necessary, even at the stage of contract negotiations.

3. Elements applicable to the identified population pursuant to the AIFM Directive

3.1. Scope of the identified population

In accordance with the regulations, AEW INVEST's identified population includes the following categories of staff: the general management, risk-takers and persons performing a control function, as well as any employee who, in view of their overall compensation, is in the same compensation bracket as the general management and risk-takers, whose professional activities have a significant impact on the risk profile of AEW INVEST and/or the products managed by it. These persons are identified according to their professional activity, their level of responsibility or their total compensation level.

AEW INVEST implements the system applicable to the identified population across the entire scope of its activities (AIF management, Real Estate Investment Advice, Civil Real Estate Mandates).

The following population categories are identified in particular:

- Members of the management body
- Managers of AIF and other vehicles and investment strategy managers
- The heads of the control functions (risk, compliance and internal control)
- The heads of support or administrative activities
- Other risk-takers
- Employees who, in view of their overall compensation, are in the same compensation bracket as the general management and risk-takers

3.2. Methodology used to determine the identified population

Each year, before the annual compensation review, the Human Resources Department determines the scope of AEW INVEST's identified population in conjunction with the control functions using a dedicated methodology.

The entire identified population scope is then validated by the General Management of AEW and approved by the AEW INVEST Supervisory Board. Finally, it is presented to the AEW Europe SA and Natixis Remuneration Committees.

The entire identification process using this methodology and a mapping of the employees is documented and stored by the Human Resources Department. The employees concerned are informed of their status.

4. Mechanism applicable to variable compensation allocated to the identified population

The AIFM Directive and the GCIA as well as the ESMA Guidelines provide for the application of a principle of proportionality which may lead, under certain conditions, to the ability to disapply the requirements for deferral of variable remuneration.

AEW INVEST has chosen to apply the principle of proportionality for the following reasons:

- The value of the portfolios of AIFs that AEW INVEST manages does not exceed EUR 3 billion and AEW INVEST has no more than 50 employees,
- All investment and arbitrage decisions, on the real estate assets of the different vehicles, are made within committees and exclusively in the context of collegial decisions,
- AEW INVEST exclusively manages non-speculative products and intended for medium/long term placement/investment,
- AEW INVEST is a non-listed company, fully owned by AEW Europe SA.

Accordingly AEW INVEST has decided to apply the principle of proportionality and is exempted from the requirement to defer variable remuneration and payment of a proportion of the variable remuneration in the form of instruments.

The criteria justifying the use of the principle of proportionality are reviewed annually.

In the event that the conditions for applying proportionality would no longer apply then in accordance with the regulations the variable remuneration of the identified population, when it exceeds a certain threshold, will be partly deferred and partly allocated in the form of a financial instrument vested on a pro rata basis over a minimum period of 3 years.

The proportion of variable remuneration which is deferred over 3 years increases in line with the amount of variable remuneration awarded and can reach 60% for the significantly high levels of compensation.

The thresholds applicable to deferred variable remuneration are subject to amendment of regulations and changes to AEW's internal policies. In this case, the new thresholds must be approved by AEW's General Management and AEW Remuneration Committee.

In addition, a minimum of 50% of the variable remuneration is awarded in the form of a cash instrument indexed to the average annual performance calculated over a rolling three-year period of an overall basket of funds and real estate assets managed by AEW, the calculation method for which is specified above in the section entitled “Mechanisms to retain key employees”.

Payment of the deferred variable remuneration component is also dependent on continued employment with AEW, financial performance of AEW INVEST and AEW in Europe and the absence of unusual behaviour that may have a detrimental impact on the risk level of AEW INVEST and/or the products under management.

This payment is also subject to the fulfilment of obligations relating to risk and compliance. Failure to fulfil these obligations may result in a partial reduction or non-payment of the deferred remuneration. This payment may also need to be refunded in full or in part to reflect events or risks that have arisen.

The terms and conditions related to the calculation, valuation, awarding, vesting and payment of deferred variable remuneration in the equivalent of a financial instrument are detailed in AEW INVEST’s Long Term Incentive Plan (LTIP).

Employees eligible for deferred variable compensation are prohibited from using individual hedging or insurance strategies throughout the vesting period.

5. Governance

The general and specific principles of the remuneration policy are defined and formalised by AEW’s Human Resources Department. In addition, AEW’s Risk, Compliance and Internal Control Department plays an active role in the development, continuous monitoring and evaluation of the policy. The control functions are therefore involved in determining the overall strategy applicable to AEW with a view to promoting the development of effective risk management. As such, they help to determine the scope of identified employees. They are also responsible for assessing the impact of the variable remuneration structure on the risk profile of the fund managers.

The supervisory function

The supervisory function, as set out in the regulations, is overseen by the Supervisory Board of AEW INVEST, which approves the remuneration policy.

Its role and privileges are set out in the regulations mentioned in the introductory paragraphs. It is responsible for the approval of and compliance with the remuneration policy and ensures, in this respect, that the policy is compatible with effective risk management and promotes such management. It monitors its implementation and approves any significant exemptions and subsequent modifications. In this respect, it takes into account the contributions of all the company's competent functions, in particular the human resources, risk management and compliance departments.

The Remuneration Committee

AEW INVEST does not have its own remuneration committee. The compensation process is governed at the level of the holding company, AEW Europe SA, the ultimate shareholder of AEW INVEST, and its Remuneration Committee.

This Remuneration Committee was established and operates in accordance with the regulations in terms of both its composition and the performance of its duties.

It comprises members who do not hold executive positions and who are considered independent.

These members have appropriate and sufficient professional expertise and experience regarding risk management and control activities, in particular as regards the mechanism for aligning the compensation structure with the risk profile of the management company.

The Remuneration Committee's duties include the following:

- Recommending to and assisting the supervisory function with the development and implementation of the management company's compensation policy;
- Helping the supervisory function to monitor the set-up and operation of the management company's compensation system;
- Assessing the mechanisms adopted to ensure that the compensation system properly takes into account all categories of risk, liquidity and assets under management;
- Assessing the compatibility of the compensation policy with the economic strategy, objectives, values and interests of AEW INVEST and the products under management and those of the investors.

The constitution of the Remuneration Committee set out its composition, duties and operating procedures.

In this context, the general and specific principles, the compliance of AEW INVEST's remuneration policy with the relevant regulations and the application procedures and summary figures of its compensation policy, including the identified population and the highest levels of compensation, are submitted to AEW Europe SA's Remuneration Committee for review and then approved by its Board of Directors, as part of of the more comprehensive review of the AEW Group remuneration policy and its implementation. Those are also circulated and approved by the AEW INVEST Supervisory Board as part of its supervisory role.

The General Management of NATIXIS IM then submits, in a more synthetic format, the above elements for validation by the General Management of NATIXIS, which last goes back to Remuneration Committee of NATIXIS before approval by its Board of Directors, in its supervisory function.

The Remuneration Committee of NATIXIS, itself, is established and acts in accordance with the regulations, both in its composition (independence and expertise of its members), and in the exercise of its missions. The majority of its members, including its Chairman, do not exercise executive functions within AEW INVEST, are external to the NATIXIS Group and are therefore completely independent¹.

The compensation of the heads of risk and compliance within AEW INVEST is reviewed within the framework of the independent reviews conducted by the risk and compliance functions and by the heads of risk and compliance at Natixis IM. It is then submitted to the Natixis Remuneration Committee.

¹ For more details on the role and composition of the NATIXIS Remuneration Committee, see the company document of reference.

Communication and annual review

The general and specific principles of the compensation policy are communicated internally to all employees. AEW INVEST also complies with all of its obligations with regard to external advertising.

The entire review, validation and communication process takes place each year. It includes any regulatory and contextual changes and is carried out in accordance with Natixis' remuneration policy.

Lastly, the entire remuneration policy of AEW INVEST is subject to a centralised annual review that is independently carried out by the Natixis IM Internal Audit Department.

6 . Consideration of sustainability risks in the remuneration policy

Following the entry into force of Regulation (EU) 2019/2088, AEW INVEST's remuneration policy was reviewed to strengthen the promotion of sound and effective risk management with regard to sustainability risks. The aim was to ensure that AEW INVEST's remuneration practices do not encourage excessive sustainability risk-taking and that the allocation and vesting of variable remuneration is linked to risk-adjusted performance including those relating to sustainability.

This policy applies to all AEW INVEST employees who have one or more annual sustainability and ESG targets and whose variable remuneration award is linked to the achievement of these targets.

The specific sustainability objectives vary according to the employees' functions and the portfolios and asset classes in which they are involved. Depending on the populations concerned, they may relate to a performance threshold in GRESB assessments, a portfolio certification rate, compliance with a portfolio's ESG strategy and ESG investment criteria, achieving a % reduction in energy consumption, participation in sustainability training, contribution to sustainability assessments, etc. Compliance with these objectives is assessed by the manager, who also determines the level of variable remuneration to be allocated.

In the event of the materialisation of a major sustainability risk that would have a significant and lasting negative impact on the value of the portfolios under management, it is thus possible to reduce or even cancel the variable remuneration allocated.

For staff identified as having an impact on the risk profile of the portfolios (risk takers), the acquisition and payment of variable remuneration are also spread, from a certain threshold, over several years, thus making it possible, in the event of the materialisation of a major sustainability risk that would have a significant and lasting negative impact on the value of the portfolios under management, to reduce or even cancel the maturities in the process of acquisition in respect of variable remuneration already awarded and deferred.

The reduction or cancellation of variable remuneration granted (and/or deferred variable remuneration, if applicable) in the event of the materialisation of a major risk in terms of sustainability is proposed by the manager of the employee(s) concerned and then validated by AEW INVEST's Management Board, in conjunction with the control functions (Risk and Compliance Departments). These reductions or cancellations are finally submitted to the AEW Remuneration Committee for review on the basis of a proposal by management.