

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Approved by

**Board of Managers**

17 December 2025

**Content**

1. Process Overview.....	3
1.1. Purpose .....	3
1.2. Scope .....	3
1.3. The ECE organisation.....	4
2. Regulatory Overview .....	5
2.1. Law, European and Luxembourg Regulations.....	5
2.2. CSSF Circulars and Regulations.....	5
3. Conflicts of Interest.....	6
3.1. General Part .....	6
3.1.1. Situations where conflicts of interest arise .....	6
3.1.2. General precautions.....	7
3.1.3. Responsible person .....	9
3.1.4. Maintenance of a conflict-of-interest register.....	9
3.1.5. Information to investors.....	10
3.1.6. Training and Awareness .....	10
3.1.7. Reporting to the CSSF .....	11
3.1.8. Amendments.....	11
3.1.9. Escalation and clearance of conflicts of interest.....	11
3.2. Specific conflicts of interest.....	12
3.2.1. Conflicts of interest related to responsible investments .....	12
3.2.2. Conflicts of interest related to the valuation function .....	13
5. Monitoring, Review and Record-Keeping.....	13
6. Appendices.....	15
6.1. Appendix 1 - Relevant Persons, assessment and related elements/measures.....	15
6.2. Appendix 2 – Specific situations.....	17

6.3.	Appendix 3 – Alternative investments funds under management .....	27
6.4.	Appendix 4 – AIF related provisions.....	28

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy****1. Process Overview****1.1. Purpose**

ECE Real Estate Partners S.à r.l. (the “**AIFM**”) has implemented this policy in accordance with legal and regulatory requirements as well as business standards aiming at minimising the risk of investors’ interests being prejudiced by conflicts of interest between a fund and, where applicable, any person contributing to the business activity of such fund or any person linked directly or indirectly to such fund and in the event a potential conflict of interest would arise, ensuring that investors’ interests are safeguarded.

The present procedures set out the rules validated by the conducting officers of the AIFM (the “**Conducting Officers**”) and approved by the board of the managers of the AIFM (the “**Board**”) aiming at the identification of conflicts of interest and the implementation of adequate controls in order to reasonably prevent and detect such conflicts.

As the AIFM is a member of ECE Group, this policy shall also take into account any circumstances of which the AIFM is or should be aware and which may give rise to a conflict of interest resulting from the structure and business activities of other members of the ECE group (“**ECE Group**”).

Where there is an actual or potential conflict of interest, the AIFM shall endeavour to act in a fair, consistent and transparent manner.

This applies both to cases where there is a potential conflict of interests between the AIF and any of the AIFM, the Sponsor (as defined below), the Consultants (as defined below), the Otto Family (each of the aforementioned parties an “**ECE Party**”), and an investor or investors and also where the AIFM is required to act where there may be a conflict of interest between investors.

**1.2. Scope**

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

The purpose of the AIFM is the management of the alternative investment funds (AIFs) included in Appendix 3. (the “**AIFs**”) as an authorised Luxembourg AIFM and statutory manager (*gérant*) in accordance with the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended from time to time (the “**AIFM Law**”) and the registration done under number 93, Section “Alternative Investment Funds” of the Register of asset management companies held by the Bank of Italy pursuant to article 35, paragraph 1 of the legislative decree no. 58 of 24 February 1998, (the “**Consolidated Finance Act**”, “*Testo Unico della Finanza*”).

Finally, the AIFM acts as central administration, transfer agent and domiciliation agent for all the AIFs and the Luxembourg companies within the relevant AIF structure.

The AIFM is subject to the supervision of the CSSF under regime of the Law of 2013 and in accordance with the rules and regulations set out in Section 2 below. With regard to the management of Fondo Immobiliare ECE the AIFM is also subject to the supervision of Banca D’Italia and Consob.

The AIFM has established both an internal compliance function and an internal audit function in accordance with the Law of 2013. In addition, the AIFM has instructed external auditors to issue an ISAE 3402 controls report with regard to (i) legal and compliance, (ii) administration and management services, and (iii) IT environment provided to funds under management. ISAE 3402 was developed to provide an international assurance standard for allowing public accountants to issue a report for use by user organizations and their auditors (user auditors) on the controls at a service organization that are likely to impact or be a part of the user organization’s system of internal control over financial reporting.

**1.3. The ECE organisation**

The AIFM has appointed ECE Real Estate Partners GmbH, Hamburg, Germany (“**ECE REP HH**”), and ECE Group G.m.b.H & Co. KG (previously ECE Projektmanagement G.m.b.H & Co. KG), Hamburg, Germany (“**ECE AM**”), as its consultants to procure consultancy services for supporting the preparation of the AIFM’s decisions with regards to all investments / divestments / portfolio of the AIFs managed by the AIFM.

The AIFM has as well appointed ECE Living GmbH, Hamburg, Germany (“**ECEL HH**”) as its consultant to procure consultancy services for supporting the preparation of the AIFM’s decisions with regards to all residential assets.

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Collectively ECE REP HH and ECEL HH shall be defined as "**ECE**" or "**Consultants**".

In addition, ECE Group provides centre management services and other services as agreed from time to time towards the respective property companies at the asset level of the AIFs.

The AIFM is 100% owned by ECE REP HH. ECE REP HH is indirectly 100% owned by KG CURA Vermögensverwaltung G.m.b.H & Co. (the "**Sponsor**") which is the Family Office of the Otto Family.

**2. Regulatory Overview**

In Luxembourg, the regulatory framework applying to conflict of interests primarily consists of the following laws, regulations and circulars:

**2.1. Law, European and Luxembourg Regulations**

- Law of 10 August 1915 on commercial companies, as amended (the "**1915 Law**");
- Law of 12 July 2013 on alternative investment fund managers, as amended (the "**AIFM Law**");
- Law of 13 February 2007 on specialised investment funds, as amended (the "**2007 Law**"); and
- COMMISSION DELEGATED REGULATION (EU) No 231/2013 of 19 December 2012

**2.2. CSSF Circulars and Regulations**

- CSSF Circular 18/698 dated 23 August 2018, regarding the authorisation and organisation of Investment Fund Managers incorporated under Luxembourg law, 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 and in particular subsection 5.5.7.1.;
- Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**");
- CSSF Regulation N° 15-07 dated 31 December 2015, laying down detailed rules for the application of Article 42a of the AIFM Law as regards the requirements in relation to risk management and conflicts of interest for specialised investment funds which are not referred to in the specific provisions of Part II of that law; and

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

- CSSF Circular 14/585 dated 25 February 2014 on Remuneration Policies and Practices transposing the European Securities Markets Authority's (ESMA) guidelines on remuneration policies and practices (MiFID) - Addition of Annexe V to Circular CSSF 07/307.

**3. Conflicts of Interest**

This policy consists of a general part which sets forth general rules applicable to all AIFs and a special part setting out the rules and procedures aiming at minimising the risk of investors' interests being prejudiced and ensuring that investors' interests are safeguarded in case a conflict would arise with respect to a specific AIF.

As part of their employment with the AIFM, members and employees of the ECE Group have a contractual obligation of loyalty as outlined in the Code of Conduct of the AIFM (which is available online under [0563ba\\_b95d758e257a4ee2a9c67aa33c982587.pdf](#)).

**3.1. General Part****3.1.1. Situations where conflicts of interest arise**

With reference to the activities carried out by or on behalf of the AIFM, including activities carried out by a delegate, sub-delegate, external valuer or counterparty, the AIFM has identified the following situations of conflicts of interest which arise when (a) the AIFM, including its managers, employees or any person directly or indirectly linked to the AIFM by control, and the AIF managed by the AIFM or the investors in that AIF; (b) the AIF or the investors in that AIF and another AIF or the investors in that AIF; (c) the AIF or the investors in that AIF and another client of the AIFM; (d) two clients of the AIFM are involved:

- a) A situation where it is likely to make a financial gain, or avoid a financial loss, at the expense of an AIF or its investors (e.g. in case one AIF acquires or sells to another AIF);

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

- b) A situation where a person has an interest in the outcome of a service or an activity provided to an AIF or its investors or another client or of a transaction carried out on behalf of an AIF or another client, which is distinct from a AIF's interest in that outcome or a situation where a person has a financial or other incentive to favour (i) the interest of another client or group of clients over the interests of the AIF; (ii) the interest of one investor over the interest of another investor or group of investors in the AIF (e.g. in case of the appointment of entities of the ECE Group);
- c) A situation where a person carries out the same activities for the AIF and for another AIF or client (e.g. in case of the AIFM or ECE); or
- d) A situation where a person receives or will receive from a person other than the AIF or its investors an inducement in relation to collective portfolio management activities provided to the AIF, in the form of monies, goods or services other than the standard commission or fee for that service (e.g. in case of performance fees or carried interest payments).

A person involved in the situations described above, shall be considered as a "**Relevant Person**".

Taking due consideration of the above, the Board has identified the Relevant Persons listed in the first column of the table attached as *Appendix 1*.

**3.1.2. General precautions**

- Transactions by any member of the Board, of the senior management or other related person including the real estate asset managers working for the AIF as well as any employee of the ECE Group in any asset classes which are also investments of an AIF managed by the AIFM are prohibited; provided that the Sponsor is able to participate as strategical investor or partner.
- When the conflict (or potential conflict) involves in any way whatsoever, the Board (or any of its members) or one of the senior managers of the AIFM, the conflict will automatically be reported to the entire Board, which will solve it in the best interests of the AIF, keep a record of its decision and document the reasons therefore.

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

- 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.
- Where a person exercises inappropriate influence over the way in which a Relevant Person carries out collective portfolio management activities, the Board will be informed without any delay.
- 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.
- 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 AIF, will be separately supervised in accordance with the guidelines adopted by the AIFM.
- 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 AIF.

Taking due consideration of the above, the Board has identified organisational conflicts of interest listed in the first column of the table attached as *Appendix 2*.

Furthermore, the Board members shall provide a full list of their mandates, at least annually, or any time there is a change. The Board should consider the lists and be satisfied that no material conflicts of interest exist.

In relation to the Agenda of each Board meeting, Managers should at the beginning of the meeting advise the Board of any conflicts of interest that they may have in relation to any items due to be discussed during the meeting. A standing point on the Agenda of each Board meeting is to be included to ensure this item is reflected on at the beginning of each meeting,

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

The Manager(s) involved in a conflict of interest should not engage in the discussions and voting on these items, and this abstention should be noted in the minutes. Notwithstanding the Board should maintain sufficient quorum in the event that several Managers are conflicted on the same topic.

**3.1.3. Responsible person**

In order to ensure proper implementation of the current policy, the conducting officer in charge of compliance (the “CO”) has been designated to more specifically supervise the implementation of this policy, manage and monitor any conflict and report concomitantly to the senior management and the Board on any relevant matter as above mentioned.

The CO shall receive support by the Consultant or external advisors whenever required and whenever the Consultant is itself in a conflict of interest.

The CO shall prepare every time a new risk of conflict of interest appears, reports to the attention of the senior management and the Board on the activities undertaken by or on behalf of the AIFM in which a conflict of interest entailing a material risk of damage to the interests of the AIF or its investors has arisen or, in the case of an ongoing activity, may arise.

The CO shall at all times have direct, immediate and unfettered access to the Board of Managers and the Conducting Officers, in accordance with CSSF 24/856 points 112 to 114.

The independence of the compliance function shall be ensured through the absence of hierarchical subordination to any business line and the allocation of adequate human and technical resources.

**3.1.4. Maintenance of a conflict-of-interest register**

The management of potential conflicts of interest is performed through holding an internal register of conflicts of interest.

This register is opened and fed, as soon as any new potentially risky situation is identified. The register shall include the following information:

- a description of the conflict of interest (whether actual or potential);
- the identification of the person or unit concerned;

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

- the date of discovery or occurrence;
- the potential and proven impacts;
- a description of the solutions envisaged and the measures adopted;
- where applicable, the investor information procedure

The register shall be presented to the Board of Managers.

All records and supporting evidence relating to conflicts of interest shall be retained for a minimum of five (5) years from the date of resolution of the conflict, or longer if required by applicable law. Each entry in the register shall include a reference to the decision or mitigation measure adopted by the Board and the date on which it was approved.

**3.1.5. Information to investors**

The policy is available on the webpage of the AIFM ([Regulated Fund Manager \(AIFM\) | ECE Real Estate Partners](#)). All updates must be uploaded in a timely manner.

In accordance with Article 23 (1) (d) of the AIFM Law, investors shall be informed, prior to their investment, of any conflicts of interest that could adversely affect the AIF. Such information shall be provided in the AIF's offering documents or by other equivalent durable means.

ECE Group transactions involving the AIFs are also disclosed in investor reporting, to the extent required by the relevant Funds' rules.

**3.1.6. Training and Awareness**

Members and employees of the ECE Group involved in the AIFs' business must familiarize themselves with this policy and participate in periodically held training sessions. In this context the following other policies apply:

- ECE Code of Conduct
- Code of Conduct of the AIFM
- ECE personal transactions policy
- ECE remuneration policy
- ECE valuation policy.

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy****3.1.7. Reporting to the CSSF**

A copy of any record maintained by the Board in application of this policy may be made available and/or reported to the CSSF upon request, within the scope of its prudential supervision, as applicable under the AIFM Law.

The CO shall provide to the CSSF, the conflict of register upon request or in the context of supervisory reviews.

**3.1.8. Amendments**

This policy remains amendable, as necessary, in order to comply at any time with any changes in the AIFs' structure along with any and all regulations and/or guidelines governing any subject covered by this policy which may be issued from time to time by the CSSF.

The Board will, every time there is a material change in the structure of the AIFs' decision-making process and/or operations, and at least once a year, review the effectiveness and appropriateness of this policy.

Any amendments shall be suggested by the CO, discussed with the senior management and approved by the Board.

**3.1.9. Escalation and clearance of conflicts of interest**

Where the organisational or administrative arrangements made by the AIFM for the management of conflicts of interest were not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the AIF or of its investors will be prevented, the Board shall be promptly informed in order to take any necessary decision or action to ensure that the AIFM acts in the best interests of the AIF and its investors.

In such situations, the Board will furthermore disclose the general nature or sources of conflicts of interest to the AIF's investors 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 AIF,
- (b) or a statement published on E-Front accessible to the investors via their private access,

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

(c) or in the AIF's reporting or annual report.

A list of all AIF related provisions in the AIF regulations is summarised in Appendix 4.

**3.2. Specific conflicts of interest****3.2.1. Conflicts of interest related to responsible investments**

The AIFM signed the UN Principles for Responsible Investment on 16 June of 2020. The signatories contribute to develop a more sustainable global financial system. Selected principles are to incorporate ESG issues into decision-making as well to seek appropriate disclosure on ESG issues by the entities in which ECE Funds invests.

The AIFM is a member of UN PRI since June 2021. The UN PRI is a membership in which signatories commit to the following principles:

- Principle 1. To incorporate ESG issues into investment analysis and decision-making processes
- Principle 2. To be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3. To seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4. To promote acceptance and implementation of the UN Principles within the investment industry.
- Principle 5. To work together to enhance our effectiveness in implementing the UN Principles.
- Principle 6. To report to each other on our activities and progress towards implementing the UN Principles.

Conflicts of interest related to responsible investments can arise at various levels between the AIFM and the investors of the AIFs under management. The main conflicts of interest identified by the AIFM are the following:

- Return vs UN PRI principles. The AIFM and the investors might face a conflict of interest between maximizing financial returns as per the AIF offering memorandum and adhering to ethical, social, or environmental principles. To minimize this conflict of interest the AIFM conducts for all ESG measures the cost-benefit of such measures which includes as costs the environmental and social impact of not adopting such ESG measures.
- Short-term vs long-term. A conflict of interest can arise between short-term financial performance and long-term sustainable investment objectives. To avoid such a conflict of interest, the AIFM factors the impact of not adopting ESG measures in the price of the acquired assets. Therefore, the short-term return via distributions is aligned with the long-term return which includes the higher unrealised or realised on the underlying asset.

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

- Disclosure and transparency. The AIFM may not disclose all criteria for responsible investments, leading to potential conflicts of interest with investors who may have different expectations or interpretations of what constitutes responsible investments. The AIFM makes its ESG policies and SFDR disclosures publicly available in the web page [www.ecerep.com](http://www.ecerep.com), the investor reporting or on demand. Furthermore, the AIFM participates annually on the preparation and publication of the UN PRI and GRESB reporting for the AIFM and its largest AIFs under management. All those reports are made available to the investors.

**3.2.2. Conflicts of interest related to the valuation function**

The following safeguards have been established by the AIFM:

- Segregation of duties. The CO compliance monitors that the valuation function is functionally independent from the portfolio and the risk management functions and is considered as well independent in the remuneration policy.
- Independent Valuation Committee. The valuation function is performed by the Valuation Committee with the support of the external independent valuers. The Valuation Committee must be able to demonstrate the independent valuers have sufficient professional guarantees as detailed under Article 73 of Level 2 AIFMD. The members of the Valuation Committee are *primus inter paris*, there is no subordination between the members and one of the three permanent members is independent to the AIFM.
- Communication to the CSSF of the appointment of external independent valuers to the extent these are not included in the respective ECE Fund regulations.
- Clear policies and procedures. The valuation function is defined in the valuation policy and the terms of the Valuation Committee, and the policies are approved by the Board of the AIFM and communicated to the CSSF.
- Transparency. The AIFM maintains full transparency with investors by regularly providing the reports from the external independent valuers via its investors 'portal Allcrux, the quarterly investors 'reports and the and the policies upon request.
- Regular audits. The valuations are part of the internal and external audit which assess the effectiveness of the controls in place and ensure compliance with policies and regulatory requirements and review the assumptions and data used in the preparation of the valuations.
- Reporting and record keeping. The Valuation Committee reports to the Board of the AIFM and keep minutes of the regular meetings.

**5. Monitoring, Review and Record-Keeping**

The AIFM monitors on a regular basis the effectiveness of this policy with a view to identifying and, where appropriate, correcting any deficiencies.

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

This Conflict of Interest Policy shall be reviewed at least annually, and whenever a material change occurs that may affect its relevance, adequacy, or effectiveness. The review shall be coordinated by the Compliance Officer or the relevant Conducting Officer and shall be documented accordingly.

Where the relevant Conducting Officer and/or the Board considers that an earlier review is necessary, the compliance function may be requested to coordinate such a review. The compliance function may also independently propose a review where it considers this necessary.

Amendments to this policy may be proposed by the compliance function as part of the review process. These are reviewed by the relevant Conducting Officers and, where appropriate, submitted to the Board for final approval.

**2. Conflicts of Interest**

**2.1. Conflicts of Interest Policy**



**6. Appendices**

**6.1. Appendix 1 - Relevant Persons, assessment and related elements/measures**

## 2. Conflicts of Interest

### 2.1. Conflicts of Interest Policy



Relevant Person(s)	Level or risk	Elements and measures	Additional information
<b>Directors</b>	High	Control by the Shareholder	Conflicts are checked in each resolution
<b>Conducting Officers</b>	High	Control by the Board	The internal control functions are dedicated to different persons
<b>Participants of the Investment Recommendation Committee of the AIF</b>	High	Control by the Board	More-eye principle
<b>Outside Business Activities and / or Directorships</b>	High	<p>Senior management and/or members of the Board may undertake outside business activities which may conflict with the interests of the Company.</p> <p>Conflicts may arise in terms of time required in order to perform duties and attend meetings.</p>	<p>Outside activities are regularly disclosed and conflicts of interest in relation to the agenda are declared at each Board meeting.</p> <p>Senior management is committed to provide as much time as is required.</p>
<b>Central Administration</b>	High	Control by the Board and the Depositories	
<b>Internal Advisors</b>	High	Specific contractual arrangement, included in the AIF documentation	
<b>External Advisors</b>	Low	Specific contractual arrangement	
<b>Independent Valuers</b>	High	Framework agreements, subject to investor approval, rotation plan	Controlled by the Valuation Committee
<b>Employees</b>	Medium	Internal control and procedures	Four-eye principle

**2. Conflicts of Interest**

**2.1. Conflicts of Interest Policy**



<b>Property Managers (focused activities for a property)</b>	Medium	Specific contractual arrangement	Terms defined in the Centre Management / Property Management Agreements
<b>Auditors</b>	Low	Control by the Board or subject to investor approval, rotation plan	
<b>Depositories</b>	Medium	Specific contractual arrangement with respect to initial and annual due diligence	
<b>Law firms</b>	Low	Control by the Board	Written engagement letters for amounts exceeding 50,000 €

**6.2. Appendix 2 – Specific situations**

**2. Conflicts of Interest**

**2.1. Conflicts of Interest Policy**



Situation	Level or risk	Elements and measures
ECE commitments	Low	<p>The Sponsor has committed an equity capital to several of the AIFs which is limited in the amount. Furthermore, the Sponsor is retaining minority interests in the portfolio of several AIFs.</p> <p>Additionally, some executives and employees or directors of the ECE Group participate as investors to one or several of the AIFs through a separate investment vehicle which is granted preferential pool terms (e.g. <i>no Management Fee, no Acquisition Fee and/or Performance Fee</i>).</p> <p>These ECE commitments align ECE's interests with those of other investors in the AIFs, as the Sponsor will have additional capital at risk.</p> <p>In order to avoid conflict of interests, ECE commitments are in general disclosed in the AIFs' rules. ECE commitments are limited in the amount.</p>
ECE as service provider	High	<p>The AIFs, or the AIFM acting on their behalf, may engage ECE and its affiliates to perform certain services for which the AIF would otherwise retain third parties including, without limitation, services for centre management, maintenance, lease renewals, construction management, real estate tax appeal services and similar centre management services.</p> <p>In order to avoid conflicts of interest, all service contracts for the AIFs are either pre-defined in the AIFs' rules or negotiated at arm's length terms or require the prior approval of their investor or advisory committee, to the extent applicable, or general investor consent.</p>

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Situation	Level or risk	Elements and measures
<b>ECE related transactions</b>	High	<p>When selling an asset or a portfolio from one AIF to another, the AIFM has to consider the interests of both AIFs, and could, while acting on behalf of any one AIF, potentially be (unduly) influenced by the interests of the other AIF, and vice versa.</p> <p>To avoid being unduly influenced by a conflict of interest, the respective AIFs' rules provide for a security mechanism which foresees that investment decisions constituting an investment involving ECE on both sides require prior approval of the investor or advisory committee, to the extent applicable, or general investor consent.</p>
<b>Allocation of investments / exclusivity</b>	Low	<p>During any commitment period of an AIF managed by the AIFM (i) the Otto Family Office, (ii) the Advisors, (iii) Alexander Otto, as the primary member of the Otto Family with an interest in the asset, (iv) the AIFM, and, in each case, their respective affiliates' is required to offer to the AIFM any future acquisition of existing assets which fit into the investment profile first. If the AIFM decides not to pursue a certain acquisition opportunity, the ECE Group will be generally free to use other vehicles or partner with third party investors to pursue such transaction.</p>

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Situation	Level or risk	Elements and measures
Internal financing	Medium	<p>The AIFs do make use of internal financings when acquiring an asset or for other financing purposes of the asset. The AIFM shall perform a transfer pricing or benchmarking analysis in accordance with OECD Guidelines (whenever legally required) when entering into such transactions. In addition, the concerned subsidiaries have established their own risk policy with respect to internal financings. Both elements should guarantee or sufficiently support the fact that such internal financings are made on an arm's length basis.</p>

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Situation	Level or risk	Elements and measures
<b>ECE Management and leasing of shopping centres</b>	Medium	<p>The AIFM does not foresee any conflicts arising for the Sponsor, the AIFM or ECE with regard to the leasing or management of centres owned by the AIFs versus centres that are currently managed for other investors.</p> <p>ECE does not distinguish its property management standards in the centres it manages and ensures high-quality property management guidelines and principles, independently from its ownership. Most of ECE on-the-ground centre management employees are not even aware of the ownership structure of the centre, and are simply incentivised to maintain value creation in order to meet or exceed ECE's annual business plans.</p> <p>In terms of the leasing of centres, ECE's potential tenants have a very clear understanding of which centre they would like to be present in, in order to match their expansion strategy and clearly convey this to ECE. Therefore, ECE's leasing department is not in a position to advise the tenant to make a decision in favour of one centre versus another, as ultimately it is the tenant's decision whether they wish to be present in a centre or not. This is supported by the differences in centre trade areas and consumer target groups, which vary from centre to centre and which are pivotal to defining retailer opinion.</p>

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Situation	Level or risk	Elements and measures
<b>Portfolio and risk management</b>	Low	<p>The AIFM has functionally and hierarchically separated the functions of risk management from the operating units and from the functions of portfolio management.</p> <p>Safeguards against conflicts ensure that decisions taken by the risk management function are based on reliable data, which are subject to an appropriate degree of control by the risk management function.</p> <p>The remuneration of those engaged in the performance of the portfolio or risk management function reflects the achievement of the objectives linked to the relevant function, independently of the performance of the business areas in which they are engaged.</p> <p>Both functions are subject to an appropriate independent review to ensure that decisions are being arrived at independently.</p> <p>The performance of the functions is reviewed regularly by the internal audit function, or, if the latter has not been established, by an external party appointed by the governing body.</p>

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Situation	Level or risk	Elements and measures
<b>Depository and prime broker</b>	Medium	<p>The AIFM is not allowed to act as depositary. A prime broker acting as counterparty to an AIF is not allowed to act as depositary for that AIF, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as prime broker and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the AIF. Delegation by the depositary to such prime broker of its custody tasks is allowed if the relevant conditions are met.</p> <p>Currently, the AIFM has not appointed any prime broker, all depositaries are not allowed to reuse the assets of the AIF without the prior consent of the AIFM (acting on behalf of the AIF).</p>
<b>Valuation</b>	Medium	<p>The AIFM's valuation function is performed by itself with the support of an external valuer and ECE and is functionally independent from the portfolio management and the risk management.</p> <p>The valuation has a direct impact on the NAV and thus on the Management fee. The remuneration policy and other measures ensure that conflicts of interest are mitigated and that undue influence upon the valuation committee is prevented.</p>

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Situation	Level or risk	Elements and measures
<b>Delegation</b>	Low	<p>No delegation of portfolio management or risk management is conferred on any other entity whose interests may conflict with those of AIFM or the investors of the AIF.</p> <p>The AIFM ensures that the delegate discloses potential conflicts of interest as well as the procedures and measures to be adopted by it in order to manage such conflicts of interest to the AIFM which shall disclose them to the AIF and the investors in the AIF.</p>
<b>Governance</b>	Medium	<p>The Board follows the multi-eye principle approach, and is composed of three members, of which only one is an ECE related person.</p> <p>The AIFM maintains and operates effective organisational and administrative arrangements. Its own operating environment, tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate systematic conflicts of interest have been segregated. Operating conditions that may involve any other material conflicts of interest are assessed and disclosed to the investors of the AIFs.</p> <p>The governance of the AIFM and its staff have adequate collective knowledge, skills and experience to understand the activities and the main risks involved.</p> <p>Furthermore, they act with honesty, integrity and independence of mind; the AIFM devotes adequate resources to the induction and training of members of the governing body.</p>

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

Situation	Level or risk	Elements and measures
<b>Advantages</b>	Low	<p>The AIFM only pays or is paid fee or commission or non-monetary benefits which are designed to enhance the quality of the relevant services, always in the best interests of the AIF and its investors.</p> <p>Such fees or commissions or non-monetary benefits are clearly disclosed to the investors prior to the relevant service.</p>
<b>Personal Transactions</b>	Medium	<p>For any relevant person who is involved in activities that may give rise to a conflict of interest, or who has access to inside information or to other confidential information relating to an AIF or transactions with or for an AIF, the AIFM establishes, implements and maintains adequate arrangements aimed at preventing such relevant persons from:</p> <ul style="list-style-type: none"><li>• entering into a personal transaction in financial instruments;</li><li>• advising or inducing, other than in the proper course of his employment or contract;</li><li>• disclosing, other than in the normal course of his employment or contract for services any</li><li>• information or opinion to any other person.</li></ul>

**2. Conflicts of Interest**
**2.1. Conflicts of Interest Policy**


Situation	Level or risk	Elements and measures
<b>Voting Rights</b>	Low	<p>The AIFM has developed adequate and effective strategies for determining when and how any voting rights held in the AIF portfolios it manages are to be exercised, to the exclusive benefit of the AIF concerned and its investors.</p> <p>The strategy determines measures and procedures for:</p> <ul style="list-style-type: none"> <li>monitoring relevant corporate actions;</li> <li>ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant AIF;</li> <li>preventing or managing any conflicts of interest arising from the exercise of voting rights.</li> </ul>
<b>Remuneration Policy</b>	Low	<p>The remuneration policy is in line with the business strategy, objectives, values and interests of the AIFM and the AIFs it manages or the investors of such AIFs.</p> <p>It includes measures to avoid conflicts of interest.</p> <p>The AIFM provides general information relating to the financial and non-financial criteria of the remuneration policies and practices for relevant categories of staff to enable investors to assess the incentives created and the risk profile of the AIF as well as the measures it adopts to avoid or manage conflicts of interest.</p>
<b>Independence</b>	Medium	<p>The procedures and measures established for the prevention or management of conflicts of interest are designed to ensure that the Relevant Persons engaged in different business activities involving a risk of conflict of interest carry out these activities having a degree of independence which is appropriate to the size and activities of the AIFM and to the materiality of the risk of damage to the interests of the AIF or its investors.</p>

**2. Conflicts of Interest**

**2.1. Conflicts of Interest Policy**



Situation	Level or risk	Elements and measures
<b>Fair treatment</b>	Low	<p>The AIFM ensures fair treatment of investors in line with the nature, scale and complexity of its business with decision-making procedures; an organised structure (reporting lines, allocation of functions and responsibilities, internal control mechanisms, internal and external reporting and communication of information, maintenance of records of business and internal organisation).</p> <p>If the AIFM would accord a preferential treatment to one or more investors, it shall not result in an overall material disadvantage to other investors.</p>

**6.3. Appendix 3 – Alternative investments funds under management**

- ECE European Prime Shopping Centre SCS SICAF SIF A, ECE European Prime Shopping Centre SCS SICAF SIF B, and ECE European Prime Shopping Centre SCS SICAF SIF C (together **ECE EPSC Fund I**);
- ECE European Prime Shopping Centre II A, SCSp SIF, ECE European Prime Shopping Centre II B, SCSp, and ECE European Prime Shopping Centre II C, SCSp SIF (together **ECE EPSC Fund II**);
- ECE European Prime Shopping Centre II B Feeder;
- ECE Progressive Income Growth Fund, SCA SICAV-RAIF;
- ECE Preferred Equity Fund SCSp;
- ATP European Core Shopping Centre Fund, SCSp;
- Fondo Immobilare ECE and all its compartments, namely Comparto Pompei, Comparto Verona and Comparto Megalò;
- ECE Avenida Poznan AIF SCSp

**2. Conflicts of Interest****2.1. Conflicts of Interest Policy**

- ECE Better Living Europe Fund A, SCSp RAIF, ECE Better Living Europe Fund B, SCSp RAIF (together **EBLEF**)
- ECE European Lodging Recovery Fund SCSp
- ECE Haid Center Linz SCSp

(each a “Fund” together the “Funds”).

**6.4. Appendix 4 – AIF related provisions**

Concerned AIF	Reference	Authority
ECE European Prime Shopping Centre SCS SICAF SIF A / B / C	§ 16 (2) of the limited partnership agreements	Advisory Committee
ECE European Prime Shopping Centre II A / B / C	§ 16 (2) of the limited partnership agreements	Advisory Committee
ATP European Core Shopping Centre	§ 16 (2) of the limited partnership agreement	Investor Committee
ECE European Prime Shopping Centre II B Feeder	/	/
Fondo Immobiliare ECE	Section B. 2.8 of the Management Regulations	/
ECE Progressive Income Growth Fund	Offering Memorandum	Advisory Committee
ECE Preferred Equity Fund SCSp	§ 16 (2) (b) of the limited partnership agreement	Limited Partners
ECE Avenida Poznan AIF SCSp	§ 24 (3) of the limited partnership agreement	Limited Partners
ECE Better Living Europe Fund A / B, SCSp RAIF	§ 16 (2) of the limited partnership agreement	Limited Partners
ECE European Lodging Recovery Fund SCSp	§ 16 (2) of the limited partnership agreement	Limited Partners