



ECE Real Estate Partners	
2. Conflicts of Interest	
2.1. Conflicts of Interest Policy	

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Content

1. Process Overview	2
1.1. Scope	2
1.2. The ECE organisation	2
2. Conflicts of Interest	3
2.1. Rules and procedures aiming at minimising the risk of investors' interests being prejudiced by conflicts of interest, if any.....	3
2.1.1. Conflicts of interest at Fund level: the Advisory Committee.....	4
2.1.2. Management of potential conflicts in management and leasing of centres	4
2.1.3. Potential conflicts of interest from the Sponsor commitment and transactions with Affiliates	5
2.1.4. Allocation of personnel and resources to the Fund.....	5
2.2. General Provisions.....	5
2.2.1. Record Keeping.....	5
2.2.2. Reporting to the CSSF	6
2.2.3. Amendments	6

ECE Real Estate Partners	
2. Conflicts of Interest	
2.1. Conflicts of Interest Policy	

1. Process Overview

1.1. Scope

In compliance with article 42bis of the Law of 2007 the present document sets out the rules validated by the Board aiming at minimising the risk of investors' interests being prejudiced by conflicts of interest between the 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.

1.2. The ECE organisation

The ECE Funds are composed of three separate partnerships including the Fund, ECE European Prime Shopping Centre SCS SICAF SIF B ("**Fund B**") and ECE European Prime Shopping Centre SCS SICAF SIF C ("**Fund C**"), each set up to address specific, in particular regulatory and tax, concerns of certain investor groups. Each partnership is established as a Luxembourg limited partnership (SCS) falling under the SICAF and SIF regimes and subject to the supervision of the Luxembourg regulatory authority (CSSF). The ECE Funds co-invest based upon a Parallel Investment Agreement.

The purpose of the ECE Real Estate Partners S. à r.l. (the "AIFM") is the administration and management of one or several alternative investment funds (AIF), subject to the Luxembourg law of 12 July 2013 on alternative investment fund managers, as maybe amended form time (the 2013 Law). The AIFM will also act as an appointed manager (gérant) for ECE European Prime Shopping Centre SCS SICAF SIF A ("**Fund A**"), ECE European Prime Shopping Centre SCS SICAF SIF B ("**Fund B**") and ECE European Prime Shopping Centre SCS SICAF SIF C ("**Fund C**") (together the "Funds" or "Partnerships") in accordance with the 2013 Law.

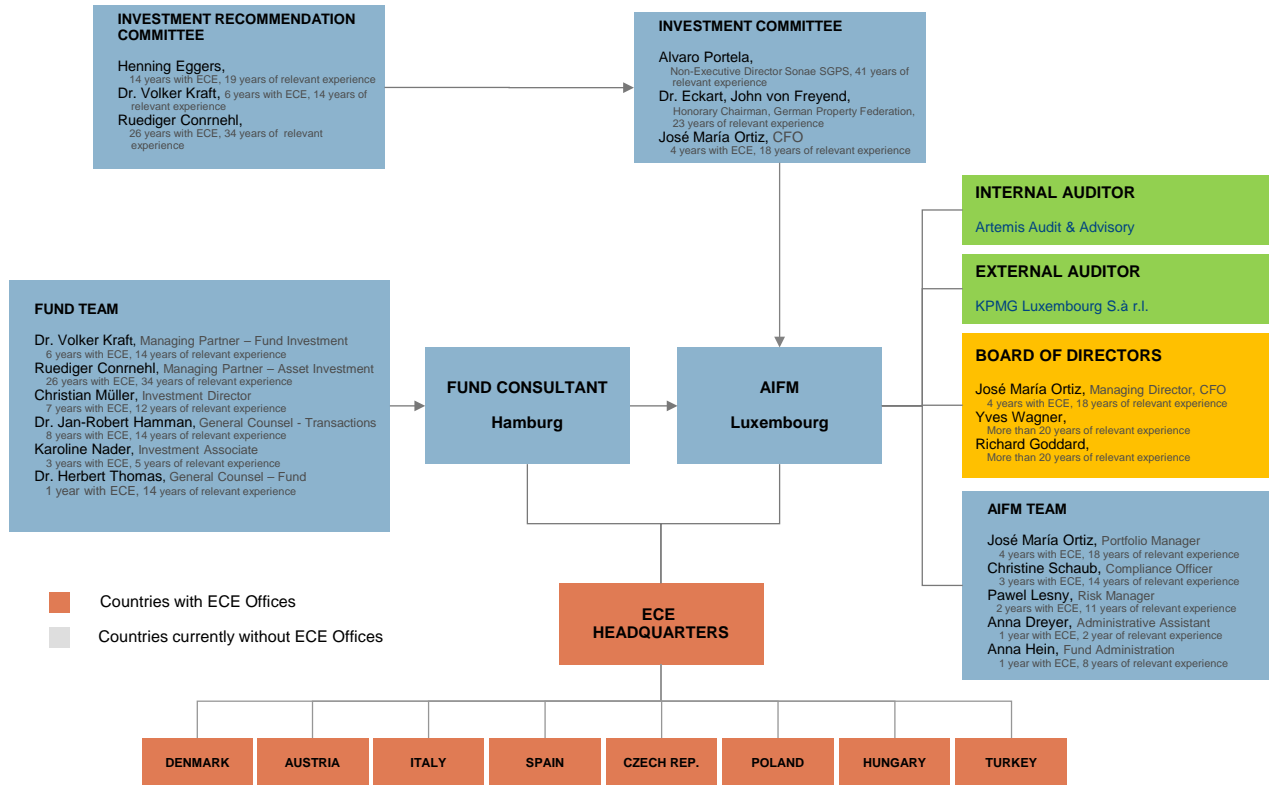
The AIFM has appointed ECE Real Estate Partners GmbH, Hamburg, Germany, and ECE Projektmanagement G.m.b.H & Co. KG, Hamburg, Germany, as its consultants (each separately a "**Consultant**" and collectively the "**Consultants**" or "**ECE**") to procure consultancy services for supporting the preparation of the AIFM decisions.

In addition, ECE provides centre management services towards the respective property companies at the asset level. ECE is owned by the Sponsor as well.



2. Conflicts of Interest

2.1. Conflicts of Interest Policy




2. Conflicts of Interest

This Conflicts of Interest Policy consists of 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 (cf. section 1) as well as addressing record keeping of the conflicts of interest met in the course of the Fund life span and reporting to the CSSF (cf. section 2).

2.1. Rules and procedures aiming at minimising the risk of investors’ interests being prejudiced by conflicts of interest, if any

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 Fund and any of the AIFM, the Sponsor, ECE, the Otto Family (each of the aforementioned parties an “ECE Party”), and a limited partner or limited partners and also where the AIFM is required to act where there may be a conflict of interest between limited partners.

ECE Real Estate Partners	
2. Conflicts of Interest	
2.1. Conflicts of Interest Policy	

2.1.1. Conflicts of interest at Fund level: the Advisory Committee

The AIFM has implemented certain procedures to deal with conflicts of interests relating to an Interested Person through the intervention of the Advisory Committee of the Fund.

Composition

The Advisory Committee is composed of not more than 7 individuals nominated by Non-ECE Investors appointed in each case by the AIFM Partner and the general partners of the Parallel Funds in their sole discretion as further described in the Limited Partnership Agreement provided, however, that each Investor together with its affiliates, if any, may only have one single representative. There shall be established an Advisory Committee for the ECE Parallel Funds consisting of not more than 7 individuals nominated by Non-ECE Investors. The members shall be appointed by the Manager in its sole discretion, provided, however, that each Non-ECE Investor together with its Associates, if any, may only have one single representative.

The executives of the Sponsor, executives of ECE, executives of the AIFM and members of the Investment Committee are not represented on the Advisory Committee as members but the AIFM Executives and members of the Investment Committee shall have the right to attend Advisory Committee meetings unless specifically requested by the Advisory Committee not to attend but, in no event, shall they have a voting right.

The Advisory Committee meets quarterly or, amongst others, when called by the AIFM to advise the AIFM to resolve amongst others issues involving potential conflicts of interest.

Procedure


Any potential conflict of interest (including in particular transactions with an ECE Party) is to be fully disclosed to the Advisory Committee by the AIFM.

The Advisory Committee's approval is required for all transactions involving an ECE Contracting Party and other conflicts of interest relating to an ECE Party.

2.1.2. Management of potential conflicts in management and leasing of centres

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 ECE Funds versus centres that are currently managed for other investors.

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 what the ownership structure of the centre is, and are simply incentivised to maintain value creation in order to meet or exceed ECE's annual business plans.

ECE Real Estate Partners	
2. Conflicts of Interest	
2.1. Conflicts of Interest Policy	

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.

2.1.3. Potential conflicts of interest from the Sponsor commitment and transactions with Affiliates

The Sponsor has committed equity capital of € 70 million, equal to approx. 10% of total Capital Commitments to the ECE Funds made by investors other than the Sponsor and other ECE related parties. Additionally, the AIFM Executives and certain senior executives of ECE committed €28.5 million at Initial Closing. Furthermore, the Sponsor is retaining minority interests in the initial portfolio of three pre-specified assets. This continuing Sponsor ownership further aligns the Sponsor’s interests with those of the ECE Funds’ investors as the Sponsor will have additional capital at risk in excess of their €70 million Capital Commitment.

In particular, the Fund together with the ECE Funds (or the AIFM on behalf of the ECE Funds together with the ECE Funds) may engage ECE and its affiliates (together referred to in such capacity as a “**Servicing Party**”) to perform certain services for which the Fund together with the ECE Funds 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.

In order to avoid any conflicts of interest, all service contracts for the Fund are either pre-defined in the limited partnership agreement or negotiated at arm’s length terms with prior Advisory Committee approval required.

In the case that a conflict of interest arises, the Advisory Committee will be duly consulted.


2.1.4. Allocation of personnel and resources to the Fund

The AIFM Executives are employed by the AIFM and allocate their time and attention to activities related to the operations of the Fund together with the ECE Funds.

Acting in the sourcing of investments to be acquired by the Fund, ECE is incentivised to provide adequate resources through the success orientated payment of a finder’s fee.

2.2. General Provisions

2.2.1. Record Keeping

ECE Real Estate Partners	
2. Conflicts of Interest	
2.1. Conflicts of Interest Policy	

The Board shall keep and regularly update a record of any actual situations where conflicts of interest have arisen, or potential conflicts of interest may arise, throughout the Fund decision making process and/or operations, as well as any actual mitigation and/or remedial measures taken in application of this Conflicts of Interest Policy.

2.2.2. Reporting to the CSSF

A copy of any record maintained by the Board in application of this Conflicts of Interest Policy may be made available and/or reported to the CSSF upon request, within the scope of its prudential supervision, as applicable under the Law of 2007.

2.2.3. Amendments

This Part I is based on the Law of 2007, the guidance provided by the CSSF through its press release of 20 April 2012 and current best practice for conflicts of interest management in Luxembourg. It remains amendable, as necessary, in order to comply at any time with any changes in the Fund's structure along with any and all regulations and/or guidelines governing any subject covered by this Conflicts of Interest 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 Fund's decision making process and/or operations, and at least once a year, review the effectiveness and appropriateness of this Conflict of Interest Policy.