

Genesta Nordic Capital Fund Management S.à r.l.

And its Branch

Remuneration Policy

May 2024

Document History

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Appendices

Reference	Description
Appendix I	Gap analysis of the Annex II: Remuneration Policy of the AIFM Law
Appendix II	List of Identified Staff
Appendix III	Justification of the application for the proportionality principle

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Table of Contents

1	Applicable regulations.....	5
2	Scope and purpose.....	5
3	Introduction.....	6
4	Remuneration principles.....	7
4.1	Types of remuneration covered.....	7
4.2	Remuneration components.....	7
4.2.1	Fixed remuneration.....	8
4.2.2	Performance-based remuneration.....	8
4.3	Performance measurement.....	9
4.4	Other schemes and benefits.....	10
4.4.1	Pension schemes.....	10
4.4.2	Other benefits.....	10
4.4.3	Severance payments.....	11
4.4.4	Promote or carried interest.....	11
4.5	Identified Staff.....	11
4.6	Remuneration of the Senior Management and of the members of the Board.....	12
4.7	Remuneration of internal control functions.....	13
5	Corporate governance.....	14
5.1	Roles and responsibilities.....	14
5.2	Policy review and approval.....	15
5.3	Delegation of remuneration.....	15
5.4	Disclosure.....	16
	Appendix I – Gap analysis of the Annex II: Remuneration policy of the AIFM Law.....	17
	Appendix II – List of Identified Staff.....	30
	Appendix III – Justification of the application for the proportionality principle.....	31

Glossary

Term	Description
2013 Law	Law of 12 July 2013 on alternative investment fund managers, as amended from time to time
GNCFM / the Company / the AIFM	Genesta Nordic Capital Fund Management S.à r.l.
AIF	Alternative Investment Fund as defined under Article 1(39) of the 2013 Law
AIFM	Alternative Investment Fund Manager
AIFMD / AIFM Directive	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
Board	Board of Managers of the Company
CSSF	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg financial supervisory authority
Funds	Funds for which the Company acts as AIFM
GPN	Genesta Property Nordic AB, the Sweden-based parent company and sole shareholder of GNCFM
Group	Any of the parents, subsidiaries, sister- and related entities of the Company
the Policy	The present Remuneration Policy
Senior Management	The persons responsible for the management of the Company, authorised by the CSSF, also known as “authorised management” or conducting officers
Staff or Employee(s)	Any individual, without restriction, being part of the management and/or employed by the Company and its branches or subsidiaries, if any, with an employment contract (including temporary), as well as contractors and external consultants acting for or on behalf of the Company
Sustainability risk	An environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

1 Applicable regulations

Laws	<ul style="list-style-type: none"> - Article 13 of the 2013 Law - Law of 23 July 2015
Regulations	<ul style="list-style-type: none"> - Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision - Article 5 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
Directives	<ul style="list-style-type: none"> - Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC
Circulars	<ul style="list-style-type: none"> - CSSF Circular 10/437 – Guidelines concerning the remuneration policies in the financial sector - Section 5.5.9. of the CSSF Circular 18/698 on the authorisation and organisation of investment fund managers incorporated under Luxembourg law
Guidelines	<ul style="list-style-type: none"> - Guidelines (ESMA²/2013/232) on sound remuneration policies under the AIFMD (hereinafter “AIFMD Remuneration Guidelines”), as amended from time to time

2 Scope and purpose

GNCFM is a limited liability company (*société à responsabilité limitée*) incorporated and organised under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B150632, with registered office address at 50, Grand-Rue, L-1660 Luxembourg, acting in its capacity as licensed AIFM, pursuant to chapter 2 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, and as management company within the meaning of chapter 16 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, duly authorised and regulated by the CSSF in Luxembourg.

The Remuneration Policy of GNCFM applies to all Employees of the AIFM, its branches or subsidiaries. Furthermore, for those categories of staff, including Senior Management, risk takers, internal control functions and any member of staff receiving total remuneration that takes them into the same remuneration bracket as Senior Management and risk takers, whose professional activities have a material impact on the risk profile of GNCFM or of the AIFs managed by GNCFM, specific requirements are laid down. The present Policy is subject to approval by the Board.

The Remuneration Policy encourages the alignment of corporate governance and sustained long term value creation for the AIFM's shareholders as well as the AIFs it manages and the AIFs' investors. In particular, the Remuneration Policy ensures that:

- the Group is able to attract, develop and retain high-performing and motivated Employees in a competitive, international market;
- Employees are offered a competitive remuneration package;
- Employees feel encouraged to create sustainable results and that a link exists between shareholder and Employee interests;
- the remuneration of Senior Management in the area of portfolio management is based on the long-term performance and does not encourage risk-taking which is inconsistent with the risk profile of the AIFs;
- the remuneration of the Compliance and Risk Management functions does not compromise their independence and is not solely determined by the AIFM-wide performance criteria.

The present Policy is consistent with and promotes sound and effective risk management through:

- establishing a sound governance structure for setting goals and communicating these goals to Employees;
- including both financial and non-financial goals in performance and result assessments;
- making fixed salaries the main remuneration component.

3 Introduction

The Board has the overall responsibility to implement a Remuneration Policy, which appropriately aligns the risks faced by the AIFs as well as the AIFM, and to provide adequate and effective incentives to the staff.

GNCFM does not have a Remuneration Committee in place and has no intention to establish such committee. This is in line with the application of the proportionality principles under the AIFMD. Given the size of the Company, the fact that it currently manages a few AIFs as well as

the low level of complexity of the internal organisation and nature, scope and activities (i.e. three AIFs are close-ended commercial real estate funds, one AIF is an open-ended commercial real estate fund, and GNCFM intends to solely manage commercial real estate funds), such a committee is not deemed necessary.

In that respect a proportionality assessment is enclosed to the Policy in Appendix III in order to substantiate the above statement.

4 Remuneration principles

4.1 Types of remuneration covered

Remuneration shall be understood for the purpose of this Policy as:

- all forms of payments or benefits paid by the AIFM;
- any payments paid by the AIFs themselves, including carried interest; and
- any transfer of units or shares of the AIFs in exchange for professional services rendered by the Identified Staff of the AIFM.

Carried interest is covered by this policy unless it consists of a pro-rata return on any investments made by the staff members into the AIFs.

4.2 Remuneration components

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the business unit, the Employee's rank in the Group and professional activity as well as market practice.

The remuneration components are:

- fixed remuneration;
- performance-based remuneration (variable salary);
- pension schemes;
- other benefits;
- severance payment;
- any amount paid by the AIFs themselves, including carried interest (if applicable);
- any transfer of units or shares of the AIFs (if applicable).

4.2.1 Fixed remuneration

The **fixed remuneration** is determined on the basis of the role of the individual Employee, including his / her responsibility and job complexity, performance and local market conditions. The fixed components shall represent a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy (including the possibility to pay no performance-based component). This also implies that fixed remuneration should be sufficiently high to remunerate the professional services rendered, in line with the level of education, the degree of seniority, the level of expertise and skills required, the constraints and job experience, the relevant business sector and region.

4.2.2 Performance-based remuneration

The **performance-based remuneration** motivates and rewards high performers, who strengthen long-term customer relations and generate income and shareholder value. Performance-based remuneration is awarded in a manner which promotes sound risk management (including sustainability risks) and does not induce excessive risk-taking. Non-disbursed performance-based components are subject to back-testing (as a minimum for Employees identified as risk takers) and should be forfeited in full or in part if granted on the basis of unsustainable results or if the economic state of the Group has deteriorated significantly. Disbursed as well as non-disbursed components are subject to claw back without compensation if granted on the basis of data which has subsequently proven to be manifestly misstated. Generally, there is no guaranteed variable remuneration. A guaranteed variable remuneration can only occur when hiring new staff and in this case only for one year.

The Board of Managers shall determine a maximum percentage of performance-based remuneration relative to the fixed remuneration. This percentage varies according to the type of position held. Performance-based remuneration may be disbursed as cash bonus for the provision of short-term incentive structures and / or as promote payment to ensure a long-term alignment of interests.

Performance-based pay is awarded by ensuring:

- an appropriate balance between fixed and performance-based components;
- that the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible;
- that the performance-based component reflects the risk underlying the achieved result;
- that a significant part of the Employee's goals was met during the year;
- that awarded performance-based pay may be forfeited in full or in part if granted on the basis of unsustainable results (back-testing – as a minimum for Employees who are identified as risk takers);

- that awarded performance-based pay may be clawed back if granted on a deliberately erroneous foundation (claw back - for risk takers as well as other Employees receiving share-based bonus);
- compliance with policies and procedures, including those relating to the integration of sustainability risks.

In addition, there is no commitment to award performance-based pay to Employees of the Group (including those of GNCFM) unless the Group reaches a certain turnover / profit threshold, which will be determined by the shareholders of the Company (i.e. Genesta Nordic Property AB).

4.3 Performance measurement

The Board decides on the Funds to be allocated to the performance-based remuneration pools ensuring that risk, capital and liquidity limits are not exceeded and that payments of long-term performance-based remuneration is spread over a period which takes into account the redemption policy / lifetime of the AIFs it manages.

Performance-based remuneration pools must be based on an assessment of the GNCFM's budget performance, the risks and the performance of the Group and the Company as well as a number of KPIs³ (or lead measures) reflecting the trend / performance in the GNCFM focus areas. Consequently, performance-based remuneration should decrease as a result of negative performance and can go down to zero in some cases.

Relevant KPIs / lead measures usually comprise 3 to 5 quantifiable indicators which are defined based on the specific goals or functions of the concerned team or section within the AIFM and take into account financial and non-financial criteria, as per point g of Annex II of the AIFM Law. The performance of the Employees will be measured against these KPIs also considering the position and responsibilities of the staff.

Lead measures typically include periodic and specific activities which potentially lead up to a business success. Performance with regard to lead measures will be aggregated in a score which will be used to assign a bonus to an individual Employee / team from the bonus pool.

The assessment of the performance is set in a multi-year framework appropriate to the lifecycle of the AIFs. In order to ensure that the process is based on longer-term performance, the performance-based remuneration is split into:

- Short-term bonus structure based on lead measures

- based on achievement of lead activities;
 - ratio of variable remuneration to annual fixed pay shall be appropriately balanced and not disproportionate, in order to avoid inducing an excessive risk assumption.
- Long-term incentive pay
 - each Employee directly involved in the management of the Funds, vehicle or account shall receive a percentage of the incentive shares in the Fund, account, etc.;
 - only when a Fund, vehicle or account is successful and Genesta receives its promote, Genesta Employees will get their share of a promote (alignment of interest, *cf.* section 4.4);
 - the vesting program shall extend over the shorter of the holding period of the shares or 3 years;
 - ratio of variable remuneration to annual fixed pay shall be appropriately balanced and not disproportionate, in order to avoid inducing an excessive risk assumption.

Important note: staff engaged in internal control functions cannot receive any remuneration linked to performance, including performance of the Funds under management.

4.4 Other schemes and benefits

4.4.1 Pension schemes

Pension schemes guarantee Employees a basic cover in the event of illness or death, and a suitable pension payment on retirement. Pension payments are fixed and are part of the base salary. Staff will not receive any discretionary pension benefits. The pension scheme is aligned with the long-term interests of the AIFM and the AIFs it manages.

4.4.2 Other benefits

Other benefits are awarded on the basis of individual employment contracts and local market practice. For example, private health cover or meal vouchers.

4.4.3 Severance payments

Severance payments are payable in accordance with relevant employment laws and the collective agreement and, furthermore, reflect the performance achieved over time and are designed in a way that does not reward failure.

4.4.4 Promote or carried interest

A “promote” is a real estate term that refers to the share of investor profit paid to the sponsor for a profitable real estate investment above a predetermined return threshold. It is a type of carried interest and therefore constitutes a form of variable remuneration.

When investing in the AIFs that the AIFM manages, Genesta Group normally does it through two types of vehicles:

- (1) Genesta Holding companies : these vehicles acquire ordinary shares reserved for Group entities;
- (2) Genesta Invest companies: these are solely reserved for promote.

Both vehicles have different shareholders and ownerships levels. Beneficiaries of the promotes, which are shareholders of the Genesta Invest companies, include but are not limited to:

- the direct or indirect Shareholders of GPN;
- the partners, principals and / or Affiliates of GPN; and
- Staff within Group entities engaged in the management of the Funds, holding key responsibilities in functions pertaining to Investment Management, Operations and Finance, Investor Relations, and Transactions.

GPN and / or its principals, partners or Affiliates contribute capital (hereinafter the “**Commitment**”) to the Funds which entitles them to receive B Class Units in such Funds. A separate company, falling into vehicle category (1) as defined above (hereafter the “**Promote Vehicle**”), is normally established and entitled to receive B Class Units constituting “**Promote Unit(s) Sub-Class**”. In addition, the Commitment shall be advanced to the Funds through a newly set-up Luxembourg vehicle (referred to as “**CarryCo**”) and that CarryCo will subscribe for Units in the Funds in connection with each capital contribution under the Commitment. The Promote Vehicle will acquire tracking shares in CarryCo, such tracking shares tracking any returns on the Units.

4.5 Identified Staff

GNCFM adopts the definition of **Identified Staff** in accordance with the AIFMD Remuneration Guidelines being: categories of staff, including Senior Management, risk takers, internal control

functions and any Employee receiving total remuneration that takes them into the same remuneration bracket as Senior Management and risk takers, whose professional activities have a material impact on the AIFM's risk profile or the risk profile of the AIFs that it manages and categories of staff of the entity(ies) to which portfolio management or risk management activities have been delegated by the AIFM, whose professional activities have a material impact on the risk profiles of the AIFs that the AIFM manages.

Considering the size of GNCFM, all staff, except for analysis and support staff, is currently deemed to be Identified Staff and the current policies apply to all staff members, including:

- members of the Governing Body of the Company;
- Senior Management;
- internal control functions – Senior Management:
 - Risk Management function;
 - Compliance function;
 - Internal Audit function;
- Staff responsible for heading Portfolio Management, Administration, Marketing and Human Resources functions.

For further information, please refer to Appendix II establishing a list of Identified Staff.

4.6 Remuneration of the Senior Management and of the members of the Board

Employees in management and oversight functions of the AIFM (Managers) are generally compensated based on the components listed below:

- Fixed salary plus benefits;
- Short-term bonuses (only based on Group internal goals / KPIs, not based or related to the performance of AIFs);
- Long-term variable compensation (fund-related compensation, which in its entirety comes from dividends seen through a Fund's success and delivery of returns and promote to Group entities).

Conducting officers responsible for the Compliance, Risk Management and Internal Audit functions shall be compensated in accordance with the achievements of the objectives linked to their functions, independent of the business areas they control, as further explained in section 4.7.

In addition, members of the Board are remunerated consistent with their powers, tasks, expertise and responsibilities and based on their eligibility as defined below:

- members of the Board who are also Employees of GNCFM are eligible for remuneration based on the criteria established above.
- members of the Board who are not Employees of GNCFM but are employed by the Group or one of its branches or subsidiaries are ineligible for remuneration as they are remunerated by that entity.
- members of the Board who are provided by third-party services providers are ineligible for remuneration as their company receives the remuneration for the services they provide.
- members of the Board who are independent managers receive a fixed fee. These Board members are not covered by incentive programmes and do not receive performance-based remuneration. The basic fee of a Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the complexity of GNCFM's activities, the extent of the responsibilities and the number of board meetings. No pension contributions are payable on Board members' fees. Travel and out of pockets expenses shall be reimbursed.

4.7 Remuneration of internal control functions

The remuneration structure of control functions' personnel will not compromise their independence or create conflicts of interest in their advisory role to the Board. The remuneration level of staff in the control functions of GNCFM allows employing qualified and experienced personnel for these functions.

Where the staff performing control functions receives variable remuneration, it will be based on function-specific objectives and will not be determined solely by the Group-wide performance. Any conflicts of interests including the variable remuneration will be properly addressed.

Employees of the AIFM involved in the oversight or performance of control functions are generally compensated based on the components listed below:

- fixed salary plus benefits;
- variable compensation based on:
 - promotion of best practices and ensuring risk management policies are implemented as measured by the respective indicators to be defined (short-term);
 - executing risk management processes thoroughly and completely as measured by the respective indicators to be defined (short-term);
 - shares in the promote vehicle (long-term).

The remuneration of those staff members in Compliance and Risk Management functions must be designed in a way that integrates sustainability risks and avoids conflict of interests related to the business unit they are overseeing and, therefore, should be appraised and determined independently.

Further conflicts of interest which might arise if other business areas had undue influence over the remuneration of staff within control functions should be adequately managed. Control functions will not be placed in a position where, for example, approving a transaction, making decisions or giving advice on risk and financial control matters could be directly linked to an increase or decrease in their performance-based remuneration.

5 Corporate governance

5.1 Roles and responsibilities

The Board will monitor compliance with the Policy on an annual basis and submit any adjustments for approval to the shareholders of GNCFM (sole shareholder, i.e. GPN). This will include alignment with the business strategy, objectives, values and interest of GNCFM and the AIFs it manages as well as measures to integrate sustainability risks and avoid conflicts of interest. Furthermore, at the beginning of each compensation period, the Board shall define clear and measurable objectives that will be the basis of the annual assessment.

Members of the Board shall collectively be in charge of remuneration. The Chairman of the Board (hereafter “**Chairman**”) shall brief *inter alia* all members of the Board on remuneration issues / proposed amendments on the Policy and prepare the necessary documentation for the Board’s dealings with remuneration issues. The Chairman shall further submit identified adjustments to the Policy to the Board for approval. Based on recommendations from the Chairman, the Board shall submit the adjustment in remuneration to the shareholders of GNCFM for approval.

Employees shall have one annual performance and appraisal interview. The individual Employees and managers shall evaluate and document performance and set new, documented goals. Decisions on adjustment of the Employee’s fixed salary or on performance-based pay are made on the basis of this meeting. The bonus pool is approved once a year by the Board based on recommendations of the Chairman *inter alia*.

In assessing the performance, the Board will ensure that potential conflicts of interest of GNCFM and the AIFs it manages, or the investors of these AIFs are properly considered, integrated and documented and measures to avoid conflicts of interest are established.

5.2 Policy review and approval

The Policy will be reviewed annually by the Board with the close involvement of the internal control functions, i.e. Risk Management, Compliance and Internal Audit functions. The Risk Management function should assess how the variable remuneration structure affects the risk profile of GNCFM. The Compliance function should analyse how the remuneration structure affects the Company's compliance with legislation, regulations and internal policies. The Internal Audit function should periodically carry out an independent audit of the design, implementation and effects of the AIFM's remuneration policies.

The annual review will ensure that:

- the remuneration system operates as intended; and
- such a system is compliant with national and international regulatory principles and standards applicable to the sector within which the Company operates.

Updates will occur in case of:

- changes in legislation;
- changes in business activities of Genesta or the AIFM or services provided by Genesta or the AIFM;
- organisational changes within Genesta or the AIFM;
- new internal rules, procedures or policies within Genesta or the AIFM;
- recurring (potential) conflicts of interest, as notified by Employees or Relevant Persons, and as kept in the Conflicts of Interest Register.

The Board shall ensure that the results of the review are followed up. Any amendments to the Policy will be subject to Board approval.

The Board may deviate from this Policy in individual cases, if justified by extraordinary circumstances, being understood that when such a deviation concerns a Board member, it should be approved by the shareholders of GNCFM.

5.3 Delegation of remuneration

In instances where GNCFM is delegating the activities pertaining to the Portfolio Management or Risk Management functions, the following shall be ensured:

- the entities to which portfolio management or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally effective as those applicable under the Policy; or
- appropriate contractual arrangements are put in place with entities to which portfolio management or risk management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out within this Policy. These contractual arrangements should cover any payments made to the delegates' Identified Staff as compensation for the performance of Portfolio Management or Risk Management functions on behalf of GNCFM.

5.4 Disclosure

GNCFM shall ensure common, uniform and consistent application of remuneration principles set out in the Policy and will provide periodic disclosure on remuneration in the annual report of the AIFs in accordance with the requirements of AIFMD. GNCFM will ensure that the disclosure is clear and easily understandable and published on at least an annual basis and as soon as practicable after the information becomes available.

Remuneration disclosure will at least contain the following:

- the total amount of remuneration of the financial year, split into fixed and variable components, paid to the Employees, the number of beneficiaries and the carried interest (where relevant);
- aggregated amounts broken down by Senior Management and those members of staff whose professional activities have a material impact on the risk profile of the AIFs;
- the total remuneration of those staff who, in part or in full, are involved in the activities of the AIFs and the number of beneficiaries, and the portion of the total remuneration of the staff attributable to the AIFs;
- where this information is disclosed at the level of GNCFM, an allocation or breakdown should be provided in relation to each AIF, insofar this information exists or is readily available.

Appendix I – Gap analysis of the Annex II: Remuneration policy of the AIFM Law

1. When establishing and applying the total remuneration policies, inclusive of salaries and discretionary pension benefits, for those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the AIFMs or of AIFs they manage, AIFMs shall comply with the following principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities:

(a) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the AIFs they manage;

The Policy encourages the alignment of corporate governance and sustained long term value creation for the AIFM's shareholders as well as the AIFs it manages and the AIFs' investors. In particular, the Remuneration Policy ensures that:

- the Group is able to attract, develop and retain high-performing and motivated Employees in a competitive, international market;
- Employees are offered a competitive remuneration package;
- Employees feel encouraged to create sustainable results and that a link exists between shareholder and Employee interests;
- the remuneration of Senior Management pertaining to the Portfolio Management function is based on the long-term performance and does not encourage risk-taking which is inconsistent with the risk profile of the AIFs; The remuneration of the Risk Management and Compliance functions does not compromise their independence and is not solely determined by the AIFM-wide performance criteria.

The Policy is consistent with and promotes sound and effective risk management through:

- establishing a sound governance structure for setting goals and communicating these goals to Employees;
- including both financial and non-financial goals in performance and result assessments;
- making fixed salaries the main remuneration component.

(b) 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, and includes measures to avoid conflicts of interest;

The Policy encourages the alignment of corporate governance and sustained long term value creation for the Company' shareholders as well as the AIF it manages and the AIFs' investors. The remuneration components are:

- fixed remuneration;
- performance-based remuneration (variable salary);
- pension schemes;
- other benefits;
- severance payment;
- any amount paid by the AIFs themselves, including carried interest (if applicable);
- any transfer of units or shares or the AIFs (if applicable).

The fixed remuneration element is the largest component of total remuneration.

The remuneration package is designed to reward high performers, who strengthen long-term customer relations and generate income and shareholder value. Performance-based remuneration is awarded in a manner which promotes sound risk management (including sustainability risks) and **does not induce excessive risk-taking**. The Board shall determine a maximum percentage of performance-based remuneration relative to the fixed remuneration. This percentage varies according to the type of position held. Performance-based remuneration may be disbursed as cash bonus for the provision of short-term incentive structures and / or as promote payment to ensure a long-term alignment of interests.

In assessing the performance, the Board will ensure that sustainability risks and potential conflicts of interest of GNCFM and the AIFs it manages, or the investors of these AIFs are properly considered, integrated and documented. The Board will also make sure that measures to avoid conflicts of interest are established.

(c) the management body of the AIFM, in its supervisory function, adopts and periodically reviews the general principles of the remuneration policy and is responsible for its implementation;

This Policy will be reviewed annually by the Board with the close involvement of the internal control functions, i.e. Risk Management, Compliance and Internal Audit. The Risk Management function should assess how the variable remuneration structure affects the risk profile of the AIFM. The Compliance function should analyse how the remuneration structure affects the AIFM's compliance with legislation, regulations and internal policies. The Internal Audit function should periodically carry out an independent audit of the design, implementation and effects of the AIFM's remuneration policies.

The annual review will ensure that:

- the remuneration system operates as intended; and
- such a system is compliant with national and international regulations, principles and standards.

The Board shall ensure that the results of the review are followed up. Any amendments to the Policy will be subject to Board approval.

(d) the implementation of the remuneration policy is, at least annually, subject to central and independent internal review for compliance with policies and procedures for remuneration adopted by the management body in its supervisory function;

The Board will monitor compliance with the Policy on an annual basis and submit any policy adjustments for approval to the shareholders of GNCFM (sole shareholder, i.e. GPN). This will include alignment with the business strategy, objectives, values and interest of GNCFM and the AIFs it manages as well as measures to integrate sustainability risks and avoid conflicts of interest. Furthermore, at the beginning of each compensation period, the Board shall define clear and measurable objectives that will be the basis of the annual assessment.

Members of the Board of Managers shall collectively be in charge of remuneration. All members of the Board shall be briefed, *inter alia* by the Chairman of the Board (hereinafter “**Chairman**”), on remuneration issues / proposed policy amendments and prepare the necessary documentation for the Board's dealings with remuneration issues. The Chairman shall further submit identified adjustments to the Policy to

the Board for approval. Based on recommendations the Board shall submit the adjustment in remuneration to the shareholders of GNCFM for approval.

The Policy shall be subject to review in the Internal Audit on an annual basis as part of the regulatory compliance review.

(e) staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control;

The remuneration structure of control functions' personnel will not compromise their independence or create conflicts of interest in their advisory role to the Board of the AIFM. The remuneration level of staff in the control functions of GNCFM allows employing qualified and experienced personnel for these functions.

Where the staff performing control functions receives variable remuneration, it will be based on function-specific objectives and will not be determined solely by the Group-wide performance. Any conflicts of interests including the variable remuneration will be properly addressed.

Employees involved in the oversight or performance of control functions are generally compensated based on the components listed below:

- fixed salary plus benefits;
- variable compensation based on:
 - promotion of best practices and ensuring risk management policies are implemented as measured by the respective indicators to be defined (short-term);
 - executing risk management processes thoroughly and completely as measured by the respective indicators to be defined (short-term);
 - shares in the promote vehicle (long-term).

The remuneration of staff in Compliance and Risk Management functions must be designed in a way that integrates sustainability risks and avoids conflict of interests related to the business unit they are overseeing and, therefore, should be appraised and determined independently.

Further conflicts of interest which might arise if other business areas had undue influence over the remuneration of staff within control functions should be adequately managed. Control functions will not be placed in a position where, for example, approving a transaction, making decisions or giving advice on risk and financial control matters could be directly linked to an increase or decrease in their performance-based remuneration.

(f) the remuneration of the senior officers in the risk management and compliance functions is directly overseen by the remuneration committee;

Senior Management is determined as Employees in management and oversight functions of the AIFM (Directors) are generally compensated based on the components listed below:

- fixed salary plus benefits;
- short-term bonuses (only based on Genesta internal goals / KPIs, not based or related to the AIFs' performance);
- long-term variable compensation (fund-related compensation, which in its entirety comes from dividends seen through a Fund's success and delivery of returns and promote to Genesta).

Note should be made that staff engaged in internal control functions cannot receive any remuneration linked to performance, including performance of the Funds.

In addition, members of the Board are remunerated consistent with their powers, tasks, expertise and responsibilities and based on their eligibility as defined below:

- members of the Board who are also Employees are eligible for remuneration based on the criteria established above;
- members of the Board who are not Employees but are employed by the Group or one of its branches or subsidiaries are ineligible for remuneration as they are remunerated by that entity;
- members of the Board who are provided by third-party services providers are ineligible for remuneration as their company receives the remuneration for the services they provide;
- members of the Board who are independent managers receive a fixed fee. These Board members are not covered by incentive programmes and do not receive performance-based remuneration. The basic fee of a Board member is set at a level that is on par

with the rest of the market and reflects the qualifications and contribution required in view of the complexity of GNCFM's activities, the extent of the responsibilities and the number of board meetings. No pension contributions are payable on Board members' fees. Travel and out of pockets expenses shall be reimbursed.

Owing to the small size of GNCFM it will not have a remuneration committee. Instead, the Board members shall collectively in charge of remuneration. The Chairman of the Board shall brief, *inter alia*, all members of the Board on remuneration issues / proposed policy amendments and prepare the necessary documentation for the Board's dealings with remuneration issues. The Chairman shall further submit identified adjustments to the Policy to the Board for approval. Based on recommendations from the Chairman *inter alia*, the Board shall submit the adjustment in remuneration to the shareholders of GNCFM for approval.

Employees of GNCFM shall have one annual performance and appraisal interview. The individual Employees and managers shall evaluate and document performance and set new, documented goals. Decisions on adjustment of the Employee's fixed salary or on performance-based pay are made on the basis of this meeting. The bonus pool is approved once a year by the Board based on recommendations of the Chairman *inter alia*.

(g) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or AIF concerned and of the overall results of the AIFM, and when assessing individual performance, financial as well as non-financial criteria are taken into account;

The **performance-based remuneration** motivates and rewards high performers, who strengthen long-term customer relations and generate income and shareholder value. Performance-based remuneration is awarded in a manner which promotes sound risk management (including sustainability risks) and does not induce excessive risk-taking. Non-disbursed performance-based components are subject to back-testing (as a minimum for Employees identified as risk takers) and should be forfeited in full or in part if granted on the basis of unsustainable results or if the economic state of the Group has deteriorated significantly. Disbursed as well as non-disbursed components are subject to claw back without compensation if granted on the basis of data which has subsequently proven to be manifestly misstated. Generally, there is no guaranteed variable remuneration. A guaranteed variable remuneration can only occur when hiring new staff and in this case only for one year.

The Board shall determine a maximum percentage of performance-based remuneration relative to the fixed remuneration. This percentage varies according to the type of position held. Performance-based remuneration may be disbursed as cash bonus for the provision of short-term incentive structures and / or as promote payment to ensure a long-term alignment of interests.

Performance-based pay is awarded by ensuring:

- an appropriate balance between fixed and performance-based components;
- that the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the performance-based component possible;
- that the performance-based component reflects the risk underlying the achieved result;
- that a significant part of the Employee's goals was met during the year;
- that awarded performance-based pay may be forfeited in full or in part if granted on the basis of unsustainable results (back-testing – as a minimum for Employees who are identified as risk takers);
- that awarded performance-based pay may be clawed back if granted on a deliberately erroneous foundation (claw back – for risk takers as well as other Employees receiving share-based bonus)
- compliance with policies and procedures, including those relating to the integration of sustainability risks.

In addition, there is no commitment to award performance-based pay to Employees of the group (including those of GNCFM) unless the Group reaches a certain turnover / profit threshold, which will be determined by the shareholders of GNCFM (i.e. GPN).

Performance measurement

The Board decides on the Funds to be allocated to the performance-based remuneration pools ensuring that risk, capital and liquidity limits are not exceeded and that payments of long-term performance-based remuneration is spread over a period which takes into account the redemption policy / lifetime of the AIFs it manages.

Performance-based remuneration pools must be based on an assessment of the GNCFM budget performance, the risks and the performance of the Group and the AIFM as well as a number of KPIs (or lead measures) reflecting the trend / performance in the GNCFM focus areas,

taking into account financial and non-financial criteria. Consequently, performance-based remuneration should decrease as a result of negative performance and can go down to zero in some cases.

Relevant KPIs / lead measures usually comprise 3 to 5 quantifiable indicators which are defined based on the specific goals or functions of the concerned team or section within the Company. The performance of staff will be measured against these KPIs also taking into account the position and responsibilities of the Employee.

Lead measures typically include periodic and specific activities which potentially lead up to a business success. Performance with regard to lead measures will be aggregated in a score which will be used to assign a bonus to an individual Employee / team from the bonus pool.

The assessment of the performance is set in a multi-year framework appropriate to the lifecycle of the AIFs. In order to ensure that the process is based on longer-term performance, the performance-based remuneration is split into:

- Short-term bonus structure based on lead measures:
 - based on achievement of lead activities;
 - ratio of variable remuneration to annual fixed pay shall be appropriately balanced and not disproportionate, in order to avoid inducing an excessive risk assumption.
- Long-term incentive pay:
 - each Employee directly involved in the management of the Funds, vehicle or account shall receive a percentage of the incentive shares in the Fund, account, etc.;
 - only when a Fund, vehicle or account is successful and Genesta receives its promote, Employees will get their share of a promote (alignment of interest);
 - the vesting program shall extend over the shorter of the holding period of the shares or 3 years;
 - ratio of variable remuneration to annual fixed pay shall be appropriately balanced and not disproportionate, in order to avoid inducing an excessive risk assumption.

(h) the assessment of performance is set in a multi-year framework appropriate to the life-cycle of the AIFs managed by the AIFM in order to ensure that the assessment process is based on longer term performance and that the actual payment of

performance-based components of remuneration is spread over a period which takes account of the redemption policy of the AIFs it manages and their investment risks;

Remuneration is assessed over a multiannual framework. Performance shall be back tested, as a minimum for risk takers and performance-based pay may be forfeited in full or in part if granted on the basis of unsustainable results. Further, the performance -based pay may be clawed back if granted on a deliberately erroneous foundation (claw back - for risk takers as well as other Employees receiving share-based bonus).

(i) guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year;

Generally, there is no guaranteed variable remuneration. A guaranteed variable remuneration can only occur when hiring new staff and in this case only for one year.

(j) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy, on variable remuneration components, including the possibility to pay no variable remuneration component;

The fixed components shall represent a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy (including the possibility to pay no performance-based component which has been the case in GNCFM previously).

This also implies that fixed remuneration should be sufficiently high to remunerate the professional services rendered, in line with the level of education, the degree of seniority, the level of expertise and skills required, the constraints and job experience, the relevant business sector and region.

(k) payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure;

Severance payments or **early termination payments** are payable in accordance with relevant employment laws and the collective agreement and, furthermore, reflect the performance achieved over time and are designed in a way that does not reward failure.

- (l) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;**

The measurement of performance is allocated based on ensuring that risk, capital and liquidity limits are not exceeded and that payments of long-term performance-based remuneration is spread over a period which takes into account the redemption policy / lifetime of the AIFs it manages. Measurement of performance takes into account current risks and future risks to the extent that they are known.

- (m) subject to the legal structure of the AIF and its rules or instruments of incorporation, a substantial portion, and in any event at least 50 % of any variable remuneration consists of units or shares of the AIF concerned, or equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments, unless the management of AIFs accounts for less than 50 % of the total portfolio managed by the AIFM, in which case the minimum of 50 % does not apply.***

The instruments referred to in this point shall be subject to an appropriate retention policy designed to align incentives with the interests of the AIFM and the AIFs it manages and the investors of such AIFs. Member States or their competent authorities may place restrictions on the types and designs of those instruments or ban certain instruments as appropriate. This point shall be applied to both the portion of the variable remuneration component deferred in line with point (n) and the portion of the variable remuneration component not deferred;

The assessment of the performance is set in a multi-year framework appropriate to the lifecycle of the AIFs. In order to ensure that the process is based on longer-term performance, the performance-based remuneration is split into:

- Short-term bonus structure based on lead measures:
 - based on achievement of lead activities;

- ratio of variable remuneration to annual fixed pay shall be appropriately balanced and not disproportionate, in order to avoid inducing an excessive risk assumption.
- Long-term incentive pay:
 - each Employee directly involved in the management of the Funds, vehicle or account shall receive a percentage of the incentive shares in the Fund, account, etc.;
 - only when a Fund, vehicle or account is successful and Genesta receives its promote, Employees will get their share of a promote (alignment of interest);
 - the vesting program shall extend over the shorter of the holding period of the shares or 3 years;
 - ratio of variable remuneration to annual fixed pay shall be appropriately balanced and not disproportionate, in order to avoid inducing an excessive risk assumption.

(n) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period which is appropriate in view of the life cycle and redemption policy of the AIF concerned and is correctly aligned with the nature of the risks of the AIF in question.

Long term variable compensation shall comprise at least 50% of incentive pay. This incentive shall be paid only when a Fund, vehicle or account is successful and Genesta receives its promote, Employees will get their share of a promote.

The period referred to in this point shall be at least three to 5 years unless the life cycle of the AIF concerned is shorter; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60 % of the amount is deferred;

The vesting program shall extend over the shorter of the holding period of the shares or 3 years.

(o) the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the AIFM as a whole, and justified according to the performance of the business unit, the AIF and the individual concerned.

The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the AIFM or of the AIF concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements;

The deferred portion payment is dependent on the performance of the AIFs and the AIFM. Its payment is not guaranteed and is determined whether the AIFs and AIFM meets specific targets. The deferred portion can be forfeited in full or in part if granted on the basis of unsustainable results or if the economic state of the Group has deteriorated significantly.

The variable remuneration is dependent on the performance of the AIFM and the AIFs. The awarding of performance-based pay may be forfeited in full or in part if granted on the basis of unsustainable results. For risk takers it shall be back tested. Further, the awarding of performance-based pay may be clawed back if granted on a deliberately erroneous foundation. This claw back will be applicable to all personnel who receive performance-based pay.

(p) the pension policy is in line with the business strategy, objectives, values and long-term interests of the AIFM and the AIFs it manages.

If the employee leaves the AIFM before retirement, discretionary pension benefits shall be held by the AIFM for a period of 5 years in the form of instruments defined in point (m). In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments defined in point (m), subject to a 5-year retention period;

The pension schemes guarantee Employees a basic cover in the event of illness or death, and a suitable pension payment on retirement. Pension payments are fixed and are part of the base salary. Staff will not receive any discretionary pension benefits. The pension scheme is aligned with the long-term interests of the AIFM and the AIFs it manages.

(q) staff are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements;

All Employees or those of GPN or any of its branches or subsidiaries are not allowed to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

(r) variable remuneration is not paid through vehicles or methods that facilitate the avoidance of the requirements of this Directive.


All remuneration, fixed and variable, is paid only through the AIFM, GPN or any of its branches or subsidiaries. This Policy is applicable to all vehicles in the Genesta structure.



Appendix II – List of Identified Staff

First name(s)	Surname	Position	Based in Luxembourg
David Christopher	Neil	Board member – Group CEO and representative for Sweden and Norway	No
Allan Strand	Olesen	Board member – Group representative for Denmark	No
Marja Liisa	Suutarinen	Board member – Group representative for Finland	No
Nathalie	Dogniez	Independent Board member	Yes
Abdelaziz	Daoudi	Independent Board member, person among the members of the management body, responsible for compliance with the professional obligations as regards the fight against money laundering and terrorist financing (“ <i>responsable du respect des obligations professionnelles en matière de lutte anti-blanchiment et financement du terrorisme</i> ” or “ RR ”)	Yes
Alexandru	Vorobet	Conducting officer for administration of UCIs, accounting and valuation	Yes
Elie Benoit	Ndong	Conducting officer for Compliance and Risk management and claim and complaint handling, responsible for compliance with the professional obligations as regards the fight against money laundering and terrorist financing (“ <i>responsable du contrôle du respect des obligations</i> ” “ RC ”)	Yes
Eniana	Dupi	Conducting Officer for Portfolio Management and Marketing	Yes
Magdalena	Kirilov	Compliance Officer	Yes
Willem	De Myer	Fund Officer to support Portfolio Management and Fund Operations	Yes
Lynn Elisabeth	Callaghan	Office administrator	Yes
Jan Philip	Björk	Branch manager	No

Appendix III – Justification of the application for the proportionality principle

Date of analysis: 27 January 2023

Criteria	Extracts from ESMA Guidelines 2013/232	Factual elements relating to Genesta Nordic Capital Fund Management S.à r.l. (“GNCFM”)	Assessment: Supports (✓) or does not support (✗) disapplication of Core Remuneration Rules
Proportionality at the AIFM level			
Size	<p>According to the ESMA Guidelines 2013/232: “<i>the size criterion can relate to the <u>value of the AIFM capital</u> and to the <u>value of the assets under management</u> (including any assets acquired through the use of leverage) of the AIFs that the AIFM manages; <u>liabilities or risks exposure</u> of the AIFM and of the AIFs that it manages; as well as the <u>number of staff, branches or subsidiaries</u> of an AIFM. The size of an AIFM and of the AIFs it manages should not be considered in isolation when applying proportionality. An AIFM might be considered “small” in terms of number of staff or subsidiaries, but be engaged in a high level of risk taking. An AIFM should adhere strictly to the remuneration principles where the aggregate set of AIFs that it manages - each of them considered “small” - becomes a potentially systemically important (e.g. in terms of total assets under management) or leads to complex investment management activities.”</i></p>	<p>The value of the assets under management is currently around: EUR 875 million.</p> <p>Number of employees, branch included: 5.80 FTE.</p> <p>The Company contemplate establishing one branch in Sweden employing 1 person, at 0.5 FTE, but has not established any subsidiaries.</p>	

Internal organisation	<p>According to the ESMA Guidelines, this criterion can relate to the <u>legal structure</u> of the AIFM or the AIFs it manages, the <u>complexity of the internal governance structure</u> of the AIFM, the <u>listing on regulated markets</u> of the AIFM or the AIFs it manages.</p> <p><i>This criterion should be assessed having regard to the entire organisation of the AIFM including all the AIFs it manages, meaning that for instance the listing of one AIF should not by itself be sufficient for considering the AIFM as having a complex internal organisation.”</i></p>	<p>The AIFM is an S.à r.l. managed by a Board of managers composed of 5 members, supported by a Management Committee composed of 3 conducting officers in charge of the daily management of the Company. In addition, the AIFM has set up a Finance Investment Committee, which assists the Company in the implementation of the alternative investment funds’ investment objective and strategy and a Risk Management Committee to assist the AIFM in overseeing the quality and integrity of risk management practices.</p> <p>Does the AIFM manage listed AIFs? No</p>	
Nature, scope and complexity of the activities	<p>According to the ESMA Guidelines, “<i>in considering this criterion, the underlying risk profiles of the business activities that are carried out, should be taken into account. Relevant elements can be:</i></p>	<p>Genesta is an Alternative investment fund manager whose authorisation under Article 5 of the law of 12 July 2013 relating to AIFMs exclusively covers the</p>	

	<ul style="list-style-type: none"> the type of authorized activity (investment management functions listed in point 1 of Annex I of the AIFMD only or also the additional functions listed in point 2 of Annex I of the AIFMD and/or the additional services listed in Article 6(4) of the AIFMD); the type of investment policies and strategies of the AIFs the AIFM manages; the national or cross-border nature of the business activities (AIFM managing and/or marketing AIFs in one or more EU or non-EU jurisdictions); and the additional management of UCITS. 	<p>activities referred to in Annex I of the aforementioned law.</p> <p>Investment strategies: Commercial Real Estate</p> <p>Jurisdictions of the Funds under management: Grand Duchy of Luxembourg</p> <p>The Company does not manage any UCITS.</p>	
Proportionality at the categories of staff level (additional criteria to be considered)			
Size of the obligations	<i>“The size of the obligations into which a risk taker may enter on behalf of the AIFM.”</i>	N/A	
Size of the group of persons	<i>“The size of the group of persons, who have only collectively a material impact on the risk profile of the AIFM.”</i>	N/A	
Structure of their remuneration	<i>“The structure of the remuneration of the staff members (e.g. fixed salary with a variable remuneration vs. profit sharing arrangements), in particular, the following elements:</i> <ul style="list-style-type: none"> <i>the amount of variable remuneration perceived;</i> <i>the percentage of variable remuneration over the fixed remuneration.”</i> 	N/A	

Conclusion of the assessment

In considering the above analysis and outcome given all criteria, GNCFM has opted for the principle of proportionality. However, for good governance purposes, the company has decided not to set up a remuneration committee but to apply the pay-out process rules.