



Green Street Advisors

GREEN STREET ADVISORS (UK) LTD Complaints Handling Policy Summary August 2017

1. Policy Statement (Applicable to All Clients and Prospective Clients)

Green Street Advisors (UK) Ltd (“GSA”) takes all client complaints very seriously and strives to:

- Investigate each complaint promptly;
- Assess each complaint effectively, diligently and independently with respect to subject matter, whether it should be upheld and what remedial action or redress may be appropriate;
- Offer redress or remedial action when appropriate;
- Explain to the complainant promptly and, in a way that is fair, clear and not misleading, its assessment of the complaint, its decision on it and any offer of remedial action or redress; and
- Comply promptly with any offer of remedial action or redress accepted by the complainant.

GSA will endeavor to resolve all complaints within four (4) weeks and to keep complainants periodically updated on the progress of their complaints.

2. How Clients Can Make a Complaint

Clients and prospective clients may file a complaint, always free of charge, by the following methods:

- **By Email:** Please note that in order to ensure that your complaint is flagged and given the required attention, we kindly ask you to state “COMPLAINT” in the subject header field of the email and specifying “Attn: GSA Compliance Officer” at compliance@greenst.eu.com
- **By Letter addressed to:**

Complaints Handling, Compliance Department
Green Street Advisors (UK) Ltd
20 Balderton Street, 5th Floor
London W1K 6TL
United Kingdom

- **By Calling GSA at:**

+44 (0) 203 793 7000

Please note that this method is discouraged as in most cases we will need specific details in order to investigate your complaint. Whilst you can lodge your complaint via phone, we will need you to provide follow-up details by one of the methods described above.

3. What happens with your complaint after GSA has received it?

Upon receipt, your complaint will be forwarded to relevant staff who will investigate and assess your complaint effectively, diligently and independently. Once your complaint has been received by GSA, we will acknowledge receipt of your complaint by email. The email will provide you with information on how our complaints process works, contact details etc. In most cases, the investigation is concluded in less than four (4) weeks but it may take longer where the issues are particularly complex. We will keep you updated on the progress of your complaint and communicate with you in accordance with the FCA's rules on dispute resolution. Once our investigation has been completed you will be sent a final response with our findings and the outcome of your complaint.

4. If you are still not satisfied

Should you remain dissatisfied with our final response, you have the right to have your complaint reviewed independently by the UK Financial Ombudsman Service ("FOS"). You can contact them using the below details:

The Financial Ombudsman Service

South Quay Plaza
183 Marsh Wall
London E14 9SR

Tel: 0800 023 4567 or +44 (0) 300 123 9 123. If calling from abroad: +44 20 7964 0500.

Email: complaint.info@financial-ombudsman.org.uk

Please note that the FOS can only consider your complaint if:

- We have sent you a final response with which you remain dissatisfied; and
- You refer the complaint to the FOS within six (6) months of the date of our final response to you.

For additional information about the FOS, please visit their website: <http://www.financial-ombudsman.org.uk>

GREEN STREET ADVISORS (UK)

Conflicts of Interest Policy

Annual review November 2010

Identifying and Managing conflicts of Interest

In accordance with its obligations under the FSA Rules Green Street must ensure that its clients are properly treated where there are or could be conflicts of interest.

What conflicts of interest could arise?

The nature of the financial services market is such that conflicts of interest can sometimes develop. Generally, a conflict of interest arises where the interests of the financial services company and its associates are different from its client or clients. For example, where Green Street discharges its duty to one client it might create a conflict with another client.

Potential conflicts of interest that could arise are:

1. **Research / Advisory Services**
 - (a) Where Green Street or a member of staff has an interest in any investment which is the subject of a Green Street research report.
 - (b) Where Green Street or a staff member is offered a benefit (whether financial or non-financial) from any company in respect of which Green Street is to issue a research report.
2. **Dealing Services**
 - (a) The receipt of commission by Green Street from third parties in return for Green Street executing deals in that third party's securities, or using the third party's execution venue.

How are conflicts managed?

In this Conflicts of Interest Policy Green Street has identified the types of conflicts it faces and the controls it operates in order to mitigate those conflicts. Green Street will manage conflicts in accordance with the following procedures:

1. **Research / Advisory Services**
 - (a) The client's account manager must, as part of the client take-on process, conduct a review of the client's investment objectives in order to identify any potential conflicts with the interests of Green Street or any member of the Green Street group. Any potential conflicts must be notified to the Compliance Officer, who will determine whether there is an actual conflict, and whether (and in what circumstances) it is appropriate to continue to act for the client.

- (b) Given other controls in place it is not necessary for each research report to be submitted to the Compliance Officer prior to dissemination for confirmation no conflicts of interest exist. It is, however, incumbent on all members of staff to make the Compliance Officer aware of any potential conflicts they become aware of. In the event that any such interest is present, this should be fully and prominently disclosed to all clients who receive the research report.
- (c) All members of staff involved in the production or dissemination of research reports are prohibited from accepting any benefits (including without limitation any gifts, fees, training or other financial or non-financial benefit) from the subject of any research report, or any entity or individual connected with the subject of a research report without first notifying the Compliance Officer. The Compliance Officer must ensure that no research report is issued where a member of staff involved in its production has received such a benefit unless he is satisfied that no actual conflict of interest has or is likely to arise as a consequence of the receipt of such benefit. The Compliance Officer must also ensure that the involvement of the member of staff in the production of the research report is appropriately monitored.
- (d) All research reports must be prepared in accordance with the requirements set out in the Green Street Compliance Manual.

2. **Dealing Services**

- (a) All members of staff involved in the execution of client orders are prohibited from accepting any benefits (including without limitation any gifts, fees, training or other financial or non-financial benefit) from the operator of any execution venue, or any entity or individual connected with any execution venue without first notifying the Compliance Officer. The Compliance Officer must ensure that no such individual shall execute a client order on behalf of a client if he considers that any actual conflict of interest has, or is likely to arise as a consequence of the receipt of such benefit. The Compliance Officer must also ensure that the involvement of the member of staff in the execution of any client order is appropriately monitored in order to ensure that the firm's obligations to achieve "best execution" are met.
- (b) All client orders should be executed in accordance with the rules regarding best execution, client order handling and client order limits, as set out in the Green Street Compliance Manual. These rules are designed to ensure client orders are executed in a manner consistent with our published Execution Policy (see European Trade Execution Policy).

This policy is reviewed regularly to ensure the record of conflicts is up to date and relevant and the appropriate mitigating controls are in place. The review is reported to the Green Street Board and senior management in quarterly Board Meetings.

Other Related Policies

Green Street also has specific policies and procedures on the following issues which are related to the management of conflicts. All staff are required to comply with these policies and procedures.

(a) **Personal Account Dealing**

The Green Street Compliance Manual sets out the firm's restrictions against personal account dealing.

(b) **Independence Policy**

The Green Street Compliance Manual sets out the firm's independence policy.

(c) **Gifts, Benefits and Inducements Policy**

The Green Street Policies and Procedures Manual sets out the firm's restrictions on receiving or giving gifts, benefits or inducements in accordance with the Bribery Act 2010.

(d) **Group Level Procedures**

The Green Street group maintains conflict policies that apply to all members of the Green Street group. In addition to the procedures set out above, employees of Green Street should also have regard to the following:

- (i) Employees of the Green Street group are prohibited from conducting any securities transactions in real estate securities without the prior knowledge of Green Street.
- (ii) Employees must additionally disclose:
 - (1) If the research analyst or a member of the research analyst's household has a financial interest in the securities of the subject company, and the nature of the financial interest (including, without limitation, whether it consists of any employment, contract, option, right, warrant, future, or long or short position);
 - (2) If, as of the end of the month immediately preceding the date of publication of the research report or the public appearance (or the end of the second most recent month if the publication date is less than 10 calendar days after the end of the most recent month), the firm or its affiliates beneficially own 1% or more of any class of common equity securities of the subject company. Computation of beneficial ownership of securities must be based upon the same standards used to compute ownership for purposes of the reporting requirements under Section 13(d) of the Securities Exchange Act of 1934; and

- (3) Any other actual, material conflict of interest of the research analyst or member of which the research analyst knows or has reason to know at the time of publication of the research report or at the time of the public appearance.
- (iii) Green Street employees must report all gifts received from a client to the Compliance Officer. A record will be maintained of all gifts received containing the name of the employee, client, date and approximate value.

Affiliate Disclosures

Green Street does not directly engage in investment banking, underwriting or advisory work with any of the companies in our coverage universe. However, the following are potential conflicts regarding our affiliates that should be considered.

1. Green Street is affiliated with Eastdil Secured, a real estate brokerage and investment bank that sometimes engages in investment banking work with companies in Green Street's coverage universe. Green Street does not control, have ownership in, or make any business or investment decisions for, Eastdil Secured.
2. Green Street has an advisory practice servicing investors seeking to acquire interests in publicly-traded companies. Green Street may provide such valuation services to prospective acquirers of companies which are the subject(s) of Green Street's research reports. Green Street may receive fees that are contingent upon the successful completion of a transaction or other fees for its work on behalf of prospective acquirers.
3. An affiliate of Green Street is the investment manager of an equity securities portfolio on behalf of a single client. The portfolio contains securities of issuers covered by Green Street's research department. The affiliate is located in a separate office, employs an investment strategy based on Green Street's published research, and does not trade with Green Street's trading desk.

Green Street Advisors (UK) Ltd (“GSAUK”) Pillar 3 Disclosure Incorporating Remuneration Disclosure

2017 Update

The Capital Requirements Directive III* ('CRD III') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain. In the United Kingdom, CRD III has been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The FCA framework for CRD III consists of three 'Pillars':

- Pillar 1 sets out the minimum capital amount that meets a firm's credit, market and operational risk;
- Pillar 2 requires a firm to assess whether its capital reserves, processes, strategies and systems are adequate to meet Pillar 1 requirements and further determine whether it should apply additional capital, processes, strategies or systems to cover any other risks that it may be exposed to. This is subject to annual review by the FCA; and
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position to encourage market discipline.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This document is designed to meet our Pillar 3 obligations as a BIPRU €50,000 limited license firm. This is done in accordance with our formal Disclosure Policy, which sets out our processes for assessing the appropriateness of our disclosures.

The Pillar 3 disclosure document has been prepared by GSAUK in accordance with the requirements of BIPRU 11 and is verified annually by the Principals. Figures given are based on the audited accounts for the financial year ended 31/12/2016 and the Internal Capital Adequacy Assessment Process approved in August 2017.

We are permitted to omit required disclosures if we believe that the information is immaterial such that omission would be likely to change or influence the decision of a reader relying on that information.

In addition, we may omit required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties.

We have made no omissions on the grounds that information is immaterial, proprietary or confidential.

Frequency of Disclosure

It is the intention of GSAUK to update its Pillar 3 disclosure on an annual basis after the previous year's annual accounts have been audited and finalised (normally April), unless circumstances warrant a more frequent update. GSAUK makes its Pillar 3 disclosure via its website, www.greenstreetadvisors.com.

* Green Street Advisors (UK) Limited is unable to carry on the MIFID investment service and activity of placing of financial instruments without a firm commitment basis (Annex 1, Section A7 of MiFID)

Scope and application of the requirements

Green Street Advisors (UK) Limited is authorised and regulated by the Financial Conduct Authority (FRN 482269) and as such is subject to minimum regulatory capital requirements. The registered office is 20 Balderton Street, 5th Floor, London W1K 6TL. GSAUK is categorised as a limited licence firm by the FCA for capital purposes. It publishes research and conducts agency trades and as such takes no proprietary positions.

GSAUK is not a member of an EEA sub-group and so is not required to prepare consolidated reporting for prudential purposes.

Risk management

GSAUK is governed by its directors ("Principals") who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining GSAUK's governance arrangements along with designing and implementing a risk management framework that recognises the risks that the business faces.

The Principals also determine how the risk our business faces may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The Principals meet on a regular basis and discuss current projections for profitability, cash flow, regulatory capital management, and business planning and risk management. The Principals manage GSAUK's business risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

GSAUK's appetite for risk is low. The company is ultimately owned by Green Street Holdings, Inc. – a large percentage of which is owned by its senior management – and GSH Investor, LLC – a Private Equity investor – both of which wish to see the company grow without the need for unnecessary risk.

The company undertakes its Individual Capital Adequacy Assessment Process (ICAAP) on an annual basis. GSAUK's ICAAP is approved by the Board of Directors, which has taken account of the following:

- Assessment of current market, credit and operational risks.
- Assessment of any future risks.
- Assessment of possible terminal risks.
- Assessment of remuneration structure.

The Principals have identified that business, operational and market risks (to the extent market risks impact on trading volumes) are the main areas of risk to which GSAUK is exposed. Annually the Principals formally review their risks, controls and other risk mitigation arrangements and assess their effectiveness. Where the Principals identify material risks they consider the financial impact of these risks as part of our business planning and capital management and conclude whether the amount of regulatory capital is adequate.

GSAUK places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

Regulatory capital

GSAUK is a Limited Liability Company and its capital arrangements are established in its Articles. Its capital is summarised as follows:

Closing Shareholders' Funds as at 31 December 2016 **£2,493,940**

The main features of GSAUK's capital resources for regulatory purposes are as follows:

Capital item	£'000
Tier 1 capital less innovative tier 1 capital	2,580
Total tier 2, innovative tier 1 and tier 3 capital	0
Deductions from tier 1 and tier 2 capital	0
Total capital resources, net of deductions	2,580

GSAUK's Tier 1 capital comprises ordinary shares and retained earnings. Intangible assets are deducted in full in accordance with FCA requirements.

Our Firm is small with a simple operational infrastructure.

- The company does not undertake principal trading.
- The company does not hold client money.
- The company does not hold client assets.
- The company will always maintain sufficient capital to manage its risks.

Its market risk is limited to foreign exchange risk on its accounts receivable in foreign currency, and settlement risk from its agency trading business. GSAUK follows the standardised approach to market risk and the simplified standard approach to credit risk. GSA UK is subject to the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge though it considers this as part of its process to identify the level of risk based capital required.

Justification for the adequacy of GSAUK's internal capital to support current and future activities is contained in the ICAAP. The fixed overhead requirements under Pillar 1 are deemed by the company to be sufficient capital to meet its immediate needs. All known risks have been assessed and appropriate stress tests and scenario analyses have been undertaken to determine any additional capital required under Pillar 2. After consideration of the Firm's current planning horizon and impact of potential risk areas, the Principals believe GSAUK's Pillar 1 capital resources requirement to be the company's minimum capital requirement. Therefore, no additional capital is currently required for Pillar 2.

As discussed above GSAUK is a limited licence firm and as such its capital requirements are the greater of:

- Its base capital requirement of €50,000; or
- The sum of its market and credit risk requirements; or
- Its Fixed Overhead Requirement.

We have not identified credit risk exposure classes or the minimum capital requirements for market risk as we believe that they are immaterial.

It is GSAUK's experience that the Fixed Overhead Requirement establishes its capital requirements and hence market and credit risks are considered not to be material.

Remuneration Disclosure

Under the FCA's Remuneration Code ('RemCode') (contained in SYSC19.A (Senior Management Arrangements, Systems and Controls) of the FCA Handbook), GSAUK is classified as a Level 3 firm. In accordance with CRD III and CEBS guidelines ('Guidance') GSAUK is therefore allowed to take a proportionate approach to its Remuneration Code Disclosures in line with its nature, scale and complexity. As such GSAUK has chosen not to disclose exact figures in regards to the remuneration of the four Code Staff identified by GSAUK's Remuneration Policy and Assessment. It has been determined that only those Approved Persons performing Significant Influence Functions within GSAUK are to be classified as Code Staff. The RemCode covers an individual's total remuneration, fixed and variable; GSAUK incentivises staff through a combination of the two.

Our policy is designed to ensure that we comply with the RemCode and our compensation arrangements:

- Are consistent with and promote sound and effective risk management;
- Do not encourage excessive risk taking;
- Include measures to avoid conflicts of interest;
- Are in line with our business strategy, objectives, values and long-term interests.

We are required to disclose certain information on at least an annual basis regarding our Remuneration Policy and practices for those staff whose professional activities have a material impact on the risk profile of the firm. Our disclosure is made in accordance with our classification, size, internal organization and the nature, scope and complexity of our activities. As such, some of the more onerous provisions in the Guidance have been disapplied.

GSAUK confirms that no Code Staff received more than £500,000 total remuneration for their role with GSAUK during the relevant period and that all discretionary remuneration is directly related to the performance of our staff on behalf of our clients, as well as the company's performance overall. Furthermore, it is GSAUK's policy that the variable portion of remuneration does not exceed the fixed and that part of such remuneration is deferred.

We believe that our Remuneration structure ensures that Code Staff interests are innately aligned with the interest of GSA UK and its Clients.