



Compliance Directive

Issued by: Executive Team

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Table of contents

1.	Introduction and Purpose	3
2.	Scope	3
3.	Roles, Responsibilities and Authorities	4
3.1.	Board of Directors	4
3.2.	Executive Team.....	4
3.3.	Compliance Function.....	4
4.	Regulatory Monitoring and Regulatory Obligations Masterplan	5
5.	Compliance Risk Assessment	5
6.	Compliance Monitoring Plan and Compliance Controls	6
7.	Assessment of Effectiveness of Compliance Management Framework	7
8.	Compliance Reporting Guidelines	7
	Appendix 1: Compliance Terms	9
	Appendix 2: Organization of the Compliance Function (January 2022)	11



1. Introduction and Purpose

Partners Group is a global private markets investment manager and operates in a highly regulated environment. Fostering a compliance culture and demonstrating compliance with such financial regulation is a core part of protecting Partners Group's reputation and fundamental for building and sustaining the trust of Partners Group's clients in Partners Group, its products ("PG Products"), their investments ("Investments") and protecting the interests of its stakeholders. Partners Group takes its obligations to comply with applicable laws and regulations extremely seriously.

Partners Group has defined its core values in the Partners Group Charter and in the Code of Personal Conduct and governs the expected behaviour across the business in global and local Directives, Policies, Executive Memoranda, processes and procedures (collectively "Instructions").

With this Compliance Directive ("the Directive"), Partners Group demonstrates its commitment and approach to comply with applicable laws and regulations. This Directive describes Partners Group's global Compliance Management Framework.¹

Compliance is made sustainable by embedding it in Partners Group's culture and in the behaviour and attitude of all Partners Group's employees which is controlled and enforced through the three lines of defense model:

- The first line of defense: the "Business", i.e. the business teams that own their business and manage related Compliance Risks, as defined in section 2;
- The second line of defense: the functions that oversee the risk, e.g. the Compliance Function, risk management function and financial controlling function; and
- The third line of defense: the internal function that provides independent assurance, i.e. internal audit.

2. Scope

Partners Group's Compliance Management Framework applies to Partners Group Holding AG and all its subsidiaries (each, a "PG Entity" and together "Partners Group").

The Compliance Management Framework addresses the following Compliance Risks.

Regulatory Licensing Risk: The risk of incurring regulatory, criminal or administrative sanctions (e.g. revocation of a license, fines), material financial loss, or loss of reputation, which Partners Group may suffer as a result of its failure to comply with financial regulation, rules and standards applicable to Partners Group's business activities.

Financial Crime Risk: The risk of internal or external parties using Partners Group's infrastructure and services to steal, defraud, manipulate or circumvent established rules, laws and regulations,

¹ Capitalized terms are explained in Appendix 1: Compliance Terms.



particularly in the areas of money laundering, terrorist financing, economic sanctions as well as bribery and corruption.

Conduct Risk: Actions of Partners Group or its employees that lead to client detriment or have an adverse effect on financial market stability or effective condition, as defined in Partners Group's Enterprise Risk Taxonomy for which the Compliance Function acts as second line of defense, e.g. market abuse, conflict management.

3. Roles, Responsibilities and Authorities

3.1. Board of Directors

The Board of Directors of Partners Group Holding AG is responsible for the ultimate oversight and strategy of Partners Group and for promoting and supervising the compliance culture across all PG Entities (together with the respective boards of those PG Entities) at all levels within Partners Group. The Board of Directors of Partners Group Holding AG and the boards of the other PG Entities, the Executive Team and the Compliance Function demonstrate an active, visible, consistent and sustained commitment to create and support compliance and to not tolerate behaviour that compromises compliance.

3.2. Executive Team

The Board of Directors of Partners Group Holding AG has delegated the organization of the Compliance Function to the Executive Team. The Executive Team has established and maintains a Compliance Function that has authority, status and independence. Authority means that the Compliance Function is granted appropriate powers. Status means that other personnel are likely to listen to and respect a compliance officer's opinion. Independence means that the Compliance Function is, as far as possible, not personally involved in activities that are exposed to Compliance Risks and free from conflicts of interest to fulfil its role.

3.3. Compliance Function

The Compliance Function is adequately resourced to establish and review the Compliance Management Framework and carry out the necessary work and responsibilities of the Compliance Management Framework without restrictions, including access to Senior Management, and access to the technology to enable the Compliance Management Framework to be comprehensive and effectively support and advise Partners Group in achieving its compliance objectives. The Compliance Function is continuously trained to stay abreast of new or amended regulation.

The Compliance Function is responsible for and measured according to the operation of the Compliance Management Framework, including the following:

- Monitoring regulation and identification of Regulatory Obligations;
- Performing and documenting the annual Compliance Risk Assessment;
- Maintaining and monitoring the effectiveness of the Compliance Monitoring Plan and performing the relevant Compliance Controls;



- Monitoring and measuring the Compliance Function's performance through Key Performance Indicators and analysing and evaluating the effectiveness of the Compliance Management Framework to identify any need for corrective action; and
- Reporting and documenting activities performed by the Compliance Function.

The Compliance Function exercises oversight, challenges and monitors that:

- Responsibilities to achieve compliance with identified Regulatory Obligations are appropriately allocated throughout the Business;
- Regulatory Obligations are integrated into Instructions;
- All relevant staff are trained as required; and
- The Business establishes Key risk indicators ("KRI") in compliance relevant areas to measure its adherence.

Further, the Compliance Function contributes to the development and strengthening of Partners Group's global platform and is providing entrepreneurial solutions with foresight:

- Engages early in new or changed business activities, PG Products or services as a regulatory subject matter expert;
- Ascertains audit readiness by preparing for supervisory visits and audits by the regulators or regulatory auditors; and
- Keeps abreast of regulatory developments and trends, best practices, and initiatives and informs and trains responsible Business Units. Keeps an open dialogue with peers, industry associations, advisors, consultants and regulatory bodies.

4. Regulatory Monitoring and Regulatory Obligations Masterplan

The Compliance Function establishes a Regulatory Monitoring Procedure to systematically identify and assess applicability of new and changed financial regulation to ensure ongoing compliance. The Compliance Function evaluates the impact of the identified changes in the Compliance Risk Assessment and documents such assessment.

The Compliance Function documents the applicable Regulatory Obligations of each regulated PG Entity in a Masterplan.

5. Compliance Risk Assessment

The Compliance Risk Assessment constitutes the basis for the implementation of Partners Group's Compliance Management Framework. The Compliance Risk Assessment is performed on a global level and broken down into relevant risk assessments for each regulated PG Entity.

Compliance Risks can be characterized by the likelihood of occurrence and the consequences (or impact) of noncompliance with Regulatory Obligations and Instructions. Compliance Risks include inherent risks and residual risks. The inherent risks refer to all Compliance Risks faced by Partners Group in an uncontrolled state without any corresponding risk mitigating measures. The residual



Compliance Risks are the Compliance Risks not entirely controlled by the existing measures implemented and maintained by the Business and/or the Compliance Function (or other second line of defense functions).

The Compliance Function in co-operation with the relevant Business analyses Compliance Risks by considering the root causes and sources of noncompliance and the impact of these, while including the likelihood that these ramifications can occur. Consequences can include, for example, economic loss, administrative sanctions, reputational harm, administrative changes, and civil and criminal liabilities.

The Compliance Risk Assessment involves determining the level of Compliance Risk that is acceptable to Partners Group and aligning it with KRIs set out in Partners Group Enterprise Risk Management framework (where there is such a KRI for that topic).

The Compliance Risks should be reassessed annually and whenever there are:

- New or changed group/business activities, PG Products or services;
- Changes to the group/business structure or strategy;
- Significant external changes, such as financial/economic circumstances, market conditions, liabilities;
- Changes to Regulatory Obligations; or
- In case of material noncompliance incident(s) and quality issues.

The risk-based approach to compliance management does not mean that for low Compliance Risk situations, noncompliance is accepted by Partners Group. However, it assists the Compliance Function in focusing its primary attention and resources on higher risks as a priority, and ultimately will cover all Compliance Risks. All identified Compliance Risks/risk situations are considered in the Compliance Monitoring Plan.

6. Compliance Monitoring Plan and Compliance Controls

The Compliance Monitoring Plan connects Compliance Risks identified and evaluated in the Compliance Risk Assessments with Compliance Control Procedures and Compliance Deep Dives in order to measure that business behaviour is within the acceptable risk tolerance levels, to ensure that Partners Group's Regulatory Obligations are met and that instances of noncompliance are prevented or detected and corrected.

Compliance Control Procedures are either performed globally or locally per PG Entity and describe standardized recurring Compliance Controls.

Compliance Deep Dives are performed irregularly and have the purpose to investigate a specific Compliance Risk applying more depth, potentially using external expertise. Compliance Deep Dives are typically instructed for higher Compliance Risks and are agreed and aligned with Internal Audit.



Compliance Control Procedures and Compliance Deep Dives are performed independently by the Compliance Function. The existence of such Compliance Control Procedures and/or Compliance Deep Dives does not relieve the Business of their responsibility for compliance.

The Compliance Function measures the effectiveness of the Compliance Control Procedures and Compliance Deep Dives with KPI. The individual Compliance Control Procedures are reviewed annually by the responsible Compliance Officer. The Compliance Function periodically instructs testing of Compliance Controls by conducting an exercise to see whether the control does what it is intended to do and that it cannot be bypassed.

7. Assessment of Effectiveness of Compliance Management Framework

Compliance is an ongoing process and the outcome of Partners Group meeting its various obligations in relation to financial regulation and certain related rules. The Compliance Function assesses the effectiveness of its Compliance Management Framework on an annual basis and reports its analysis to the Executive Team and Partners Group Holding AG's Risk & Audit Committee (and to the boards of the relevant PG Entities) for consideration and approval.

For the assessment of the Compliance Management Framework, the Compliance Function typically monitors the following quantitative and qualitative data points:

- Effectiveness of training conducted by the Compliance Function;
- Timeliness and quality of Compliance Reporting;
- Effectiveness of Compliance Controls;
- Effective allocation of compliance resources for meeting Regulatory Obligations;
- Assessment of KPI for Compliance Control Procedures and Compliance Deep Dives;
- Near misses (i.e. incidents without adverse effect);
- Evaluation of Quality Issue Reports according to the Quality Assurance Directive;
- Evaluation of Client Complaints according to the Client Complaints Handling Directive;
- Evaluation of Speak-up reports according to the Speak-up Directive;
- Evaluation of the compliance culture based on individual sanctions issued to employees according to the Corporate Deliverables Policy; and
- Internal and external audit reports, reports by regulators.

8. Compliance Reporting Guidelines

The Compliance Function establishes global Compliance Reporting Guidelines in order to ensure that relevant Business Units and Departments, the Executive Team, the Partners Group Holding AG Risk and Audit Committee and the Board of Directors of Partners Group Holding AG receive appropriate, accurate and complete information in order to assess Partners Group's compliance with its Regulatory Obligations.



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The Compliance Reporting guidelines provide a reporting matrix, define appropriate reporting criteria, establish timelines for regular reporting, quality assurance measures (templates, 4-eyes principle) and implement an exception reporting system that facilitates ad hoc reporting and escalation.

Local PG Entities apply the Compliance Reporting Guidelines mutatis mutandis for their organization.



Appendix 1: Compliance Terms

Term	Definition
Compliance Control Procedures	Compliance Control Procedures describe standardized recurring Compliance Controls and are either performed globally or locally per PG Entity.
Compliance Controls	Standardized recurring control tasks defined in Compliance Control Procedures.
Compliance Deep Dives	Compliance Deep Dives are in-depth reviews to investigate a specific Compliance Risk and are performed irregularly.
Compliance Function	The global Business Unit Compliance, as established by the Executive Team of Partners Group Holding AG and organized as per Appendix 1.
Compliance Management Framework	<p>Partners Group's Compliance Management Framework is a set of rules that describe how to implement, control and measure Partners Group's compliance with financial regulation (and certain related rules), as mandated by the Board of Directors and the Executive Team.</p> <p>The Compliance Management Framework governs the Compliance Function and describes how the Compliance Function provides the Board of Directors and Executive Team with accurate reports of Partners Group's compliance efforts with Regulatory Obligations, its management of Compliance Risks and the effectiveness of the Compliance Function and the Compliance Management Framework overall.</p>
Compliance Monitoring Plan	The Compliance Monitoring Plan is a compilation of Compliance Risks identified and evaluated in the Compliance Risk Assessments and connects those with Compliance Control Procedures and selected Compliance Deep Dives in order to measure that business behaviour is within the acceptable risk tolerance levels, to ensure that Regulatory Obligations are captured and met and that instances

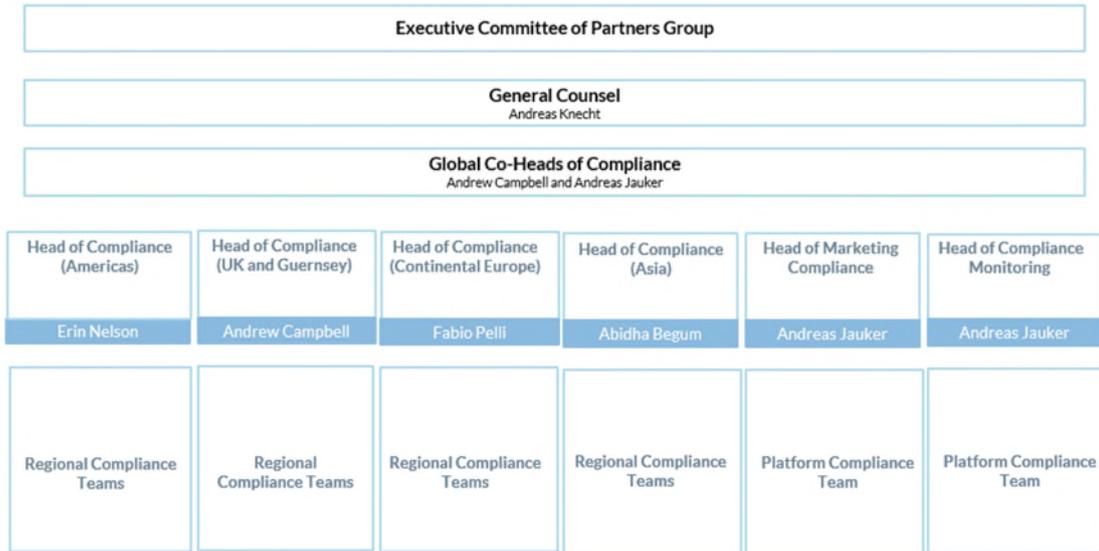


	of noncompliance are prevented, detected and corrected.
Compliance Reporting Guidelines	Compliance Reporting Guidelines are a set of rules, including a reporting matrix and templates, to ensure that relevant Business Units and Departments, the Executive Team, the Partners Group Holding AG Risk and Audit Committee and the Board of Directors of Partners Group Holding AG as well as the management of local PG Entities receive appropriate, accurate and complete information in order to assess Partners Group's compliance with its Regulatory Obligations.
Compliance Risk Assessment	As defined in section 5 of the Directive.
Regulatory Obligations	Obligations stipulated in financial regulation (or being related to financial regulation) that are applicable for a regulated PG Entity. Such obligations can e.g. be organisational, behavioural or may stipulate reporting obligations.
Regulatory Obligations Masterplan	A compilation of the Regulatory Obligations of each regulated PG Entity systematically identified by the Compliance Function from time to time.



Appendix 2: Organization of the Compliance Function (January 2022)

Global Compliance: Structure and Organization



For illustrative purposes only. Source: Partners Group (2022)

16 Partners Group (2022)

