Pillar 3 Disclosures as of 31st December 2021

LaSalle Investment Management ("LaSalle") is an unlimited liability company registered in England (registered number 2597050) and is authorised and regulated by the Financial Conduct Authority ("FCA") Firm Reference Number 179466. LaSalle is subject to the capital adequacy rules as defined in the FCAs MiFIDPRU sourcebook. Under the FCA's financial rules LaSalle reports its financial affairs on a non-consolidated basis.

The FCA's regulatory capital framework consists of three pillars:

Pillar 1 – defines the minimum level of capital that a regulated firm needs to maintain to cover credit, market and operational risks.

Pillar 2 – requires firms to assess any firm-wide risks not covered by Pillar 1 and, if necessary, assess whether additional capital is required over and above the minimum requirement to mitigate these risks. This assessment is detailed in our firm-specific Internal Capital Adequacy and Risk Assessment ("ICARA") document.

Pillar 3 – requires firms to publish key information regarding the firm's risk management arrangements, risk exposures, its capital position and make certain remuneration code related disclosures.

This document fulfils our disclosure obligations under Pillar 3 and is published annually on our website.

RISK MANAGEMENT ARRANGEMENTS AND EXPOSURES

LaSalle's governing body is the UK Statutory Board (the "Board") made up of the European CEO, Head of European Separate Accounts, the European CFO/COO, the Head of Debt and Value-Add strategies and the CEO of LaSalle GPS. The Board is responsible for strategic direction, risk management and the overall good governance of the firm.

We have an Enterprise Risk Management Committee ("ERMC") which is responsible for identifying the risks we are subject to and ensuring that appropriate action is taken to mitigate against such risks. The ERMC is responsible for the production of LaSalle's Risk Appetite Statement, which is approved by the Board at least annually. The output from this statement is also documented in the form of a business-specific Risk Register which is maintained by the Enterprise Risk Management Committee.

Through the ICARA process, the Board has identified the following main risks to LaSalle's business:

- Business risk
- Operational risk
- Liquidity risk
- Pension obligation risk

Each risk has been assessed and a determination has been made as to whether LaSalle needs to allocate additional capital in respect of these risks. Through the ICARA process, LaSalle concluded that the firm was well capitalised and it was not necessary for any additional capital to be allocated in respect of these risks.

Confirmation of adequate own funds and liquidity

The ICARA process links our overall risk management, business planning and capital management, with each component informing the others.

LaSalle has been classified as a non-small non-interconnected ("non-SNI") firm and is assessed on a non-consolidated basis. LaSalle's capital requirements are met through a mixture of equity and retained earnings.

At the beginning of the year, the firm had an own funds requirement of £12.4m and excess capital of £66m and a liquidity requirement of $4.1m with a liquidity surplus of £0.2m.

Following the conclusion of the ICARA process this was revised to own funds requirements of £15.5m (with excess capital of £62.9m), and a liquidity requirement of £5.2m.

In conclusion, we believe we are sufficiently capitalised for the risks of our business.

REMUNERATION CODE DISCLOSURE

The remuneration paid in respect of the performance year 2021 has been awarded in compliance with the BIPRU Remuneration Code. From 2022, LaSalle's Remuneration Policy has been redrafted in line with the new MiFIDPRU requirements.

Remuneration Policy

As an FCA authorised limited licence BIPRU firm LaSalle is subject to FCA rules regarding remuneration. The relevant remuneration rules are set out in SYSC 19C of the FCA Handbook and are commonly referred to as The Remuneration Code (the "Code").

LaSalle's Remuneration Policy promotes sound and effective risk management and discourages excessive risk taking as its compensation arrangements:

- are linked to the long-term investment performance of client portfolios; and
- contain a deferred element for senior positions;
- require all bonuses are signed off by Jones Lang LaSalle Inc., LaSalle's parent company ("JLL"); and
- all bonus of over US$500,000 are subject to JLL's approval.

Proportionality

As a limited licence BIPRU firm, LaSalle can be categorised as a proportionality level 3 firm for the purposes of the Code. In accordance with FCA guidance and having had regard to the firm's size, internal organisation and the nature, the scope and the complexity of its activities, LaSalle has disapplied the following rules contained in the Code:

- retained shares or other instruments;
- deferral;
- performance adjustment;
- and ratios between fixed and variable components of total remuneration.

This disclosure is made in line with the requirement for proportionality level 3 firms to publish certain quantitative information on remuneration broken down by business area, senior management and members of staff that have a material impact on the risk profile of the firm.

Summary of the decision-making process used for the determining LaSalle's remuneration policy

- LaSalle's Remuneration Policy has been agreed by LaSalle's senior management in line with the FCA's guidance on proportionality. The UK and Continental Europe Heads of HR and the European Head of Compliance undertake an annual review of the Policy to ensure it remains up to date and compliant and is operating effectively.
- Due to LaSalle's size, the nature and complexity of its activities, the firm is not required to appoint an independent remuneration committee. However, to oversee the consistent application of the Remuneration Policy, LaSalle established a European Remuneration Committee.

Summary of links between pay and performance

- Total remuneration is made up of base salary and a discretionary bonus.
- Bonuses form part of the annual budget and bonus pools are allocated subject to the over performance of JLL Inc. and the performance of LaSalle at global, regional and country level. JLL will consider whether some or the group's profits should be used to strengthen its capital base prior to allocating bonus pools.
- Bonuses are allocated to employees based on individual performance (taking into account financial and non-financial criteria).
- Employee performance is benchmarked against objectives set at the start of each year via an on-line annual performance system.
- Bonus payments are made in cash and also via various long-term incentive programmes.

Quantitative data

Aggregate remuneration for staff whose professional activities have a material impact on LaSalle's risk profile by business area:

Business area	Aggregate total remuneration year ending 31 Dec 2021
Front Office[1]	£5,589,475
Support Functions	£1,932,544

Aggregate remuneration for staff whose professional activities have a material impact on LaSalle's risk profile by breakdown of Code Staff:

Code staff	Aggregate fixed remuneration year ending 31 Dec 2021	Aggregate variable remuneration year ending 31 Dec 2021	Number of Code Staff
Senior Management	£1,092,500	£2,145,000	4
Others[2]	£1,724,519	£2,560,000	13
All Code Staff[3]	£2,817,019	£4,705,000	17

[1] Includes non-annualised remuneration of two employees who were Identified Staff only for a fraction of the year.

[2] Includes non-annualised remuneration of two employees who were Identified Staff only for a fraction of the year.

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