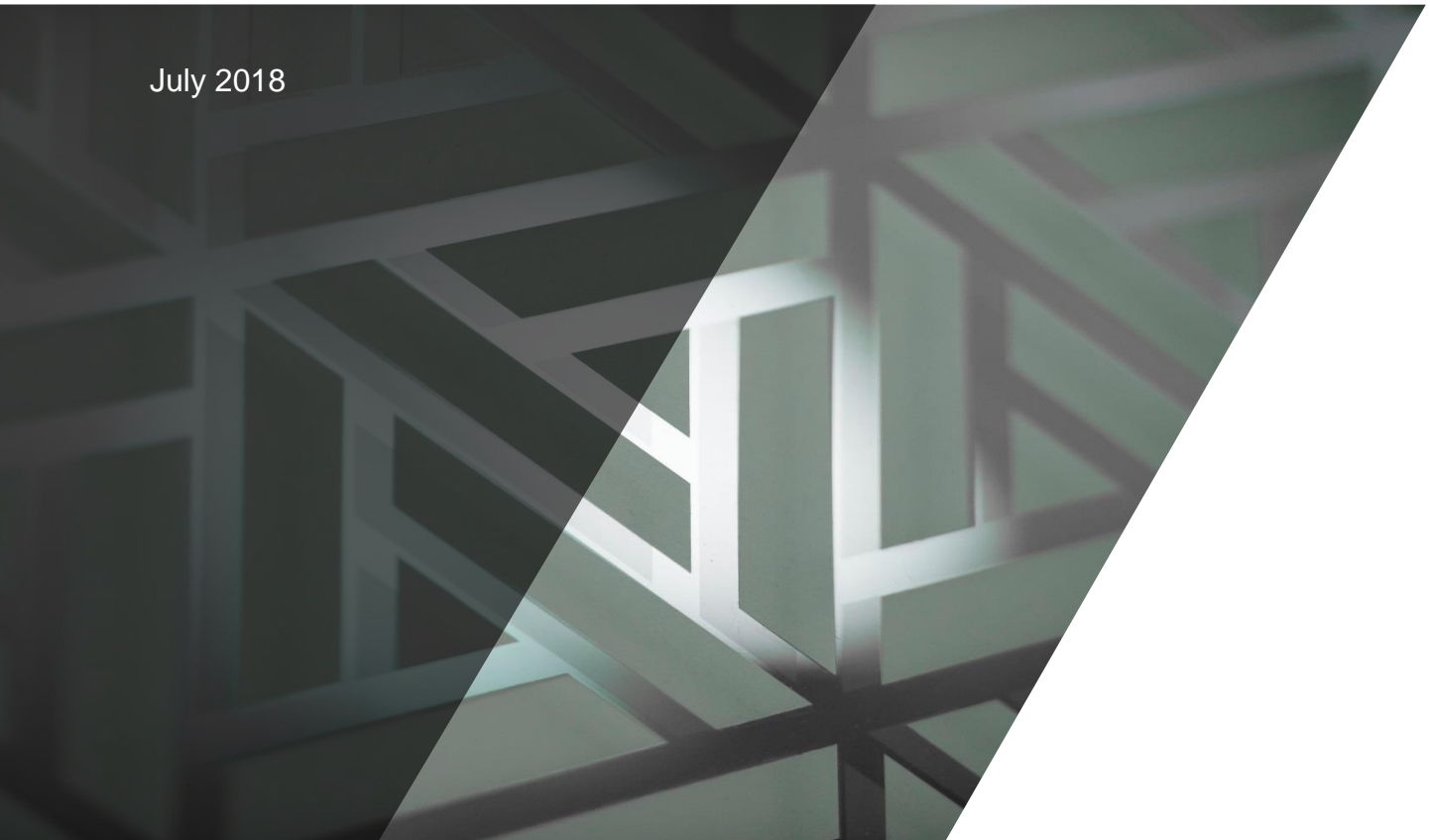


Creating Real Value.



Conflicts of Interest Policy

July 2018



Conflicts of Interest Policy

This document summarises the policy which InfraRed Partners LLP and all direct & indirect subsidiaries (“InfraRed”) has in place to meet its obligations to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflicts of interest.

This policy also fulfils the requirements laid out under the Alternative Investment Fund Managers Directive (“AIFMD”) which applies to InfraRed Capital Partners Limited (“IRCP”) acting as Alternative Investment Fund Manager (“AIFM”) to the Alternative Investment Funds (“AIFs”) it manages.

Introduction

Where legal duties of loyalty and trust towards an investor are applicable, InfraRed and the funds it manages must put the interests of the investor above their own interests and must not profit from their responsibilities except with the knowledge and consent of the investor.

InfraRed’s Conflicts of Interest Policy is appropriate to its size and organisation and the nature, scale and complexity of its business. As a group structure, the policy also seeks to take account of any circumstances which may give rise to a conflict of interest resulting from the structure and business activities of InfraRed.

InfraRed’s Conflicts of Interest Policy sets out how it seeks to:

- ▲ Identify circumstances which may give rise to conflicts of interest entailing a material risk of damage to investor interests;
- ▲ Establish appropriate mechanisms and systems to manage those conflicts;
- ▲ Maintain systems designed to prevent actual damage to investor interests through any identified conflicts

What is a “conflict of interest”?

A conflict of interest may arise, in any area of InfraRed’s business, where InfraRed:

- ▲ Is likely to make a financial gain (or avoid a loss) at the expense of an investor;
- ▲ Is interested in the outcome of the service provided to an investor where InfraRed’s interests are distinct from investor interests;
- ▲ Has a financial or other incentive to favour the interests of one investor over another;
- ▲ Receives money, goods or services from a third party in relation to services provided to investors other than standard fees or commissions;

Identification of a “conflict of interest”

In accordance with regulatory requirements, InfraRed has taken reasonable steps to identify conflicts of interest that exist, or may exist:

- (i) between InfraRed and its investors;
- (ii) between one investor and another; or
- (iii) between IRCP and other members of InfraRed.

The potential conflicts of interest identified include:

- ▲ Those as a result of competing interests of different investors;
- ▲ Those between investors and InfraRed as a result of fee structures, other investment related revenues and profit;
- ▲ Those between the personal interests of InfraRed personnel and investors;
- ▲ Those between fund related and proprietary investment decisions;
- ▲ Where proposing/approving a new fund launch;
- ▲ Considering an asset purchase;
- ▲ Considering a sale between funds or InfraRed entities, or entities advised or managed by InfraRed;

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- ▲ Where proposing/approving a new investor relationship or co-investment;
 - ▲ Where proposing/approving a new investor side letter;
 - ▲ Where proposing/approving a new confidentiality agreement or exclusivity clause.

Managing and Monitoring conflicts of interest

InfraRed keeps and regularly updates a record of the types of activities undertaken by or on behalf of it in which a conflict of interest arises.

At least annually, InfraRed Managing Partners receive written reports on activities which have or will give rise to a conflict of interest which entails a material risk of damage to the interests of one or more of the funds or its investors.

Policies and procedures

It is the responsibility of the InfraRed Managing Partners and Compliance to ensure that the conflicts of interest policy is adhered to. InfraRed has well established, adequate internal policies, procedures, systems and controls in place which are designed to identify and manage potential conflicts of interest fairly, control access to information and subject deals to appropriate controls and reviews. These include, but are not limited to the following:

▲ Conflicts Register

InfraRed have and maintain a conflicts register, which is a register of circumstances which cannot be managed by following existing internal policies. The register also identifies specific cases where exceptional conflicts have arisen or may arise and records instances where InfraRed has made relevant disclosure to Investor Committees and/or Funds Advisory Committees. This register is maintained by Compliance.

▲ Chinese Walls

Chinese Walls may be operated by InfraRed and are designed to restrict information flows between areas likely to generate a conflict of interest. They are there to allow InfraRed to carry out work on behalf of a fund/investor without being influenced by other information held within InfraRed that may give rise to a conflict of interest.

▲ Confidential Information

InfraRed treats all information it holds as confidential. In addition, InfraRed maintains arrangements which restrict the flow of information to certain individuals to protect investor interests and prevent improper access to investor information. Arrangements are also in place for protecting information received under executed "Confidentiality Agreements".

▲ Personal Account Dealing ("PAD")

InfraRed operates a PAD policy, whereby InfraRed individuals are required to obtain prior authorisation to trade for their own account. This policy is designed to:

- (i) prohibit insider dealing;
- (ii) manage potential conflicts of interest;
- (iii) prevent the front running of fund investment decisions;
- (iv) avoid dealing on margin in order that individuals do not find themselves in serious financial trouble; reduce the 'velocity' of trading i.e. during working hours individuals should be working for the firm and not concentrating on their own financial activities; and
- (v) discourage speculative dealing.

▲ Gifts and Corporate Entertainment

InfraRed operate a Gifts and Corporate Entertainment policy to ensure that gifts and entertainment, both offered and received, do not give rise to a conflict of interest with duties to any Investors or representatives of InfraRed.

Acceptance or provision of gifts and corporate hospitality are governed by the following rules: -

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- (i) Function Head/Business Head/Managing Partner sign off of all gifts and corporate entertainment to be accepted by individuals.
 - (ii) Individuals may accept no more than 12 corporate hospitality events during a calendar year.

▲ **Inducements**

Inducements are not permitted to be received or offered unless they:

- (i) Are designed to enhance the quality and service to the client
- (ii) Do not impair InfraRed's duty and ability to act honestly, fairly and professionally in accordance with the best interest of its clients
- (iii) Are necessary for the provision of investment services and could not give rise to a conflict of interest.

▲ **Separate Supervision and Segregation of Function**

Where appropriate, InfraRed will arrange for the supervision and/or functional segregation of individuals and/or parts of our business carrying out activities for funds/investors whose interests may conflict. These steps are designed to prevent the simultaneous involvement of a relevant person in separate services or activities where such involvement may impair the proper management of conflicts.

InfraRed have in place measures to align the interests of different investors, individuals and InfraRed by means of:

- (i) transparent fee arrangements;
- (ii) carried interest and profit sharing;
- (iii) clear investment allocation procedures; and
- (iv) maintaining full discretion on investment participation.

Where the adoption or the application of one or more of those measures and procedures does not ensure the requisite degree of independence, InfraRed shall adopt such alternative or additional measures and procedures as are necessary and appropriate for those purposes. This ultimately includes reference to an allocations committee independent of the fund managers of each fund.

▲ **Disclosure & Declining to Act**

Where InfraRed organisational and administrative arrangements established to prevent or manage conflicts may not be sufficient to ensure with reasonable confidence that the risks of damage to interests by potential conflicts of interest will be prevented, it may be considered appropriate to disclose potential conflicts to the Investor Committees and/or Funds Advisory Committees and obtain formal consent to proceed. InfraRed may decide to decline to act where there is a residual risk of damage to the interests of any investor.

Further information

If you would like further detail regarding our Conflicts of Interest Policy, please contact Ko Bhadra at Ko.Bhadra@ircp.com.