



Merchant Banking Conflict of Interests Policy

In accordance with applicable laws and regulations and with Rothschild & Co's policy and approach on conflict of interests, the managing entities of the Merchant Banking funds have defined a policy for the identification, resolution and management of conflict of interests.

In order to maintain the independence, quality and integrity of the advice delivered by the other divisions of the Rothschild & Co Group and to allow Merchant Banking to build a long-term relationship of trust with its investors, partners within the private equity and investee companies communities, Merchant Banking needs to identify and manage conflict of interest in an appropriate manner in accordance with applicable laws, regulations and in the interests of its clients.

This note to the various private funds and separately managed accounts which invest in our funds (the "**Clients**") sets out the principles according to which Rothschild & Co's Merchant Banking business will handle conflict of interests.

1. Definition

A conflict of interest may arise during the provision of regulated investment services where Merchant Banking or a person directly or indirectly linked by control to Merchant Banking:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of a Client;
- Has an interest in the outcome of a service provided to a Client or of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of a Client;
- Carries on the same business as a Client; or
- Receives or will receive from a person other than a Client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service

In our view, there are a number of different types of potential conflicts of interest:

- Interdivisional conflicts at Group level: potential conflicts of interest may arise between Merchant Banking and the other lines of business of the Rothschild & Co Group;
- Conflicts between one Client and another (inter-fund conflicts): the interests of the clients we manage (or the investors in such client funds) may conflict with one another;
- Conflicts between the Merchant Banking Division (including staff's personal interests) and a Client.

2. Control and Management

- 2.1. Merchant Banking funds will be making independent investment and divestment decisions that adhere to their fiduciary duties towards their investors.
- 2.2. Clearance of new investment opportunities and conflict checks is administered by Rothschild & Co's Compliance department. This process is managed through a global data base, which will enable all divisions within the Rothschild & Co Group to identify and handle conflicts at an early stage.



- 2.3. In situations where a conflict between Merchant Banking and another business line has been identified, a conflicts committee composed of senior representatives of the relevant divisions and the Group Head of Compliance will agree on the most appropriate way to handle the relevant conflict.
- 2.4. Where an ongoing assignment of Global Advisory is identified as presenting an actual risk of conflict with the interests of a Merchant Banking fund, clearance will be sought from a committee of investors in the relevant Merchant Banking fund. Third party investors are to appoint a majority of the members of this committee, thus ensuring that this committee acts as an independent body ensuring representation of the investors' interests.

The constitutive documents of Merchant Banking funds typically include provisions governing situations where the investors' committee consent must be obtained, including in relation to transactions involving related persons or entities. Where such consent is required, appropriate evidence of it having been obtained shall be circulated to Compliance as a condition for the relevant transaction to proceed.

- 2.5. The procedures applicable to Merchant Banking include rules regarding the management of conflicts which may arise between several investment vehicles managed by Merchant Banking, or with other Rothschild & Co vehicles more generally.

Merchant Banking funds' constitutive documents also typically includes provisions governing the situations requiring investors' committee consent in cases where a Merchant Banking fund wishes to invest into a company in which a Rothschild & Co entity of fund holds a material stake.

- 2.6. Should an investment opportunity meet the investment criteria of more than one Merchant Banking fund, Merchant Banking will allocate participations in this opportunity in a manner which is fair and equitable between funds in line with its allocation policy.

There are restrictions on Merchant Banking staff's ability to hold interests which could conflict with Merchant Banking's interest. Similarly, there are limitations on staff's ability to partake in functions outside of their agreed upon role within Merchant Banking.

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