

Aquila Capital - Conflict of Interest Policy

Information about the document

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1. Executive Summary

Acting in the interests of clients is the guiding principle that characterizes the business relationship between the Aquila Capital companies (hereinafter “**Aquila**”) and its clients. This also means that Aquila will identify, avoid or fairly resolve potential conflict of interest situations which may arise and would be detrimental to the client, by taking appropriate precautions and resolving measures.

In connection with the identification and the management of conflicts of interest, Aquila takes all reasonable and appropriate steps in order to prevent adverse effects on the interests of the managed investment vehicles or the clients in connection with the rendering of investment services as well as the conduct of the investment fund business.

This Policy specifies procedures and measures adopted by Aquila in order to prevent and manage potential conflicts of interest. Set out below is a summary of the key information. If you would like further information, please contact our Group Compliance department.

2. Identification of Conflicts of Interest

Conflicts of interest may arise in connection with the rendering of various services to the benefit of the investment vehicles, SPV’s as well as assets, for example but not conclusive in connection with the rendering of portfolio management and asset management services (“**Investment Services**”) that might result in adverse effects on the interests of the client and the investment vehicle. Examples of conflicts of interest include where Aquila or one of its employees:

- is likely to make a financial gain (or avoid a loss) at a client’s expense;
- is interested in the outcome of the service provided to a client where its interest is distinct from the client’s interests;
- has a financial or other incentive to favor the interests of one client over another,
- receives or will receive from a third person an inducement in relation to a service provided to the client in the form of money, goods or services other than standard fees or commissions.

When identifying the types of conflicts of interest, Aquila is obliged to take the following into consideration:

- the interests of the respective investment vehicle and the clients;
- own interests of Aquila, its employees and managing directors;
- any other person that is directly or indirectly linked to Aquila by a controlling relationship;
- agents/contractors/service providers and sub-contractors.

3. Causes of Conflicts of Interest

This section is not and is not intended to be a complete enumeration or explanation of all of the potential conflicts of interest that may arise. However, conflicts of interest may in particular arise:

- in the fields of investment consulting or portfolio and asset management;
- from various services offered by Aquila Companies and our contracting partners;
- from relationships with our companies or associated companies;
- from relationships between investment advisors or asset managers with issuers of financial instruments and assets eligible for investment;
- from relationships with other clients;
- from interests of other Aquila managed investment vehicles;
- from performance-related remuneration;
- from obtaining information that is not in the public domain;
- from personal relationships of our employees or management with persons associated with any of them;
- from the execution of private securities transactions and trading in assets eligible for investment by the management or our employees;
- from seats held by our management or our employees in supervisory or advisory boards;
- from inducements and gifts received from current or potential service providers.

4. Measures to avoid Conflicts of Interest

In order to avoid possible conflicts of interest to the disadvantage of our clients, Aquila has implemented various organizational measures. These measures are in particular:

- policy governing the allocation in the best interest of the managed investment vehicles (Allocation Policy);
- principles of Aquila governing the best execution of orders as regards the purchase or sale of financial instruments (Best Execution Policy);
- establishment of Chinese walls between individual units of Aquila as well as the separation of responsibilities and/or physical and electronical separation, in order to prevent the abuse of confidential information obtained from the services or inappropriate influence on/interference with these services by other units of Aquila;
- if a business with two functions within Aquila would lead to a conflict of interest, it may be separated into two separately managed business units or it shall be ensured that they are managed by different senior members of staff;
- rules of conduct for private transactions of employees / management that shall preclude the conclusion of transactions by employees / management to the detriment of client transactions;
- monitoring of private transactions by employees / the management to prevent conflicts arising from the use of information obtained from clients (insider information) and market abuse generally, all employees / management members are subject to personal account dealing rules. There is a prohibition on “front-running” client orders and Aquila has established dealing policies on the management of client orders;

- regulations governing the acceptance and granting of inducements by third parties to Aquila employees and management members;
- acceptance of inducements by Aquila employees and management only in accordance with common practice;
- a fair, performance-based remuneration structure for the employees and management members of Aquila;
- adequate risk management system and internal control system;
- establishment of a complaint's management;
- regulation concerning corporate governance for the management and supervisory board;
- careful selection, training, qualification and advanced training of our employees and management members;
- where we consider that the conflict of interest cannot be managed in any other way we will decline to act for a client.

5. Disclosure / Conflict of Interest Log

Any employee or member of the management who becomes aware of a new conflict of interest must report this to our Group Compliance department.

We will disclose any conflicts of interest to you prior to performing the service, which may be unavoidable even though the aforementioned measures are taken.

In the event of a serious conflict of interest, the conflict may be resolved by abstaining from a possible transaction. In the event of a conflict with third parties, this need to be resolved in the interests of our own clients and the investment vehicle

Aquila maintains a log of individual conflicts of interest and the measures taken to prevent or manage those conflicts, including the assignment of responsibilities. The log is regularly updated and reviewed by Aquila's Group Compliance department.

6. Review

Compliance with all obligations described above is controlled by the independent Group Compliance department in our company and is audited at regular intervals by internal and external auditors. Similarly, this Policy is reviewed at regular intervals.

Should you have any further questions concerning the handling of potential conflicts of interest, do not hesitate to contact the compliance unit of our company in writing under the following contact details:

Aquila Capital

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20355 Hamburg
Germany
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