
Managing Conflicts of Interests Policy

CONCERNING

Copenhagen Infrastructure Part-
ners P/S and Copenhagen Infra-
structure Partners II P/S

("CIP")

Indhold

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1. Background and purpose

- 1.1 The policy applies to Copenhagen Infrastructure Partners P/S (“CIP P/S”) and Copenhagen Infrastructure Partners II P/S (“CIP II”) (jointly referred to as “CIP”).
- 1.2 The policy sets out rules and procedures to ensure that CIP is compliant with the regulation on business conduct and management of conflicts of interest set out in the Alternative Investment Fund Managers Act, Consolidated Act no. 1047 of 14 October 2019 (the “AIFM Act”), Sections 18(1)(3) and (4), 23 and 27 (2)(3), and the Commission’s Delegated Regulation (EU) No. 231/2013 articles 30-37 that applies to CIP.
- 1.3 The policy is not intended to create third party rights or obligations that would not already exist if the policy had not been made available and it does not form part of any contract between CIP, the alternative investment funds managed by CIP and any investor or prospective investor therein.
- 1.4 This policy supplements CIP’s general obligation to act with integrity and fairness, both towards the AIFs that it manages and investors and prospective investors therein. CIP is committed to professionally manage conflicts of interest which may arise in the course of its business activities.
- 1.5 The policy shall be made available to alternative investment funds managed by CIP and investors therein upon request.
- 1.6 The Board of Management shall ensure that the policy is made available on CIP’s website.

2. Definitions

- 2.1 Unless the context otherwise requires, the following terms shall have the meaning ascribed thereto:

“AIF” means an alternative investment fund (and by implication the investors therein) managed or advised by CIP;

“Board of Directors” means the board of directors of CIP P/S and CIP II, as registered with the Danish Business Authority from time-to-time;

“Board of Management” means the board of management of CIP P/S and CIP II, as registered with the Danish Business Authority from time-to-time;

“New Markets Fund”	means an AIF managed by CIP P/S carrying out Investments in non-OECD (other than Taiwan and Singapore) and OECD countries with a high sovereign or energy market risk profile (e.g. Mexico, Baltic countries, Poland, Greece and Turkey) outside the investment parameters of a Main Fund;
“CIP”	means CIP P/S and CIP II;
“CI II”	means the alternative investment fund Copenhagen Infrastructure II K/S managed by CIP II;
“CIP Main Fund”	means an AIF managed by CIP P/S carrying out Investments in OECD countries in North America (United States and Canada), Western Europe and Asia-Pacific region (Australia, New Zealand, Japan and South Korea, Taiwan and Singapore);
“Compliance Officer”	means the compliance officer as so appointed by the Board of Directors under the Compliance Policy of CIP;
“Investment(s)”	means investment(s) by the relevant AIF comprising real assets, shares, convertible loan stock, warrants or other equity or equity-related securities (whether secured or unsecured) as well as loans and other debt instruments;
“Partner in Charge”	means one or more persons appointed and authorized by the Board of Directors to manage and oversee due diligence activities undertaken in respect of an Investment; and
“Risk Manager”	means the risk manager as so appointed by the Board of Directors under the Risk Management Policy.

3. Identification and types of potential conflicts of interest

- 3.1 CIP hereby identifies and discloses a range of circumstances which may give rise to conflicts of interest and potentially, but not necessarily, be adverse to

the interests of one or more of the AIFs managed by CIP or the investors therein.

- 3.2 Such conflicts of interest with respect to AIFs managed by CIP may arise if CIP or a relevant person or a person directly or indirectly linked by way of control to CIP, including representatives, delegates, sub-delegates, alternative investment funds not managed by CIP or investors therein:
- (a) is likely to make a financial gain, or avoid a financial loss, at the expense of an AIF or its investors;
 - (b) has an interest in the outcome of a service or an activity provided to an AIF or its investors or to a client or of a transaction carried out on behalf of an AIF or a client, which is distinct from such AIF's interest in that outcome;
 - (c) has a financial or other incentive to:
 - (i) give priority to the interest of a client or group of clients or another AIF over the interest of an AIF;
 - (ii) give priority to the interest of one investor over the interest of another investor or group of investors in the same AIF;
 - (d) carries out the same activities for an AIF and for another AIF or client;
or
 - (e) receives or will receive from a person other than an AIF or its investors an inducement in relation to collective portfolio management activities provided to the AIF, in the form of monies, goods or services other than the standard commission or fee for that service.
- 3.3 CIP may in accordance with its corporate strategy at the same time manage AIFs with similar investment strategies. The Board of Directors of CIP undertakes to diminish competition or conflicts of interest between such AIFs by appropriate means, inter alia, through the use of non-compete clauses and exclusivity clauses.
- 3.4 The Board of Directors has resolved that at this time the measures taken by CIP are generally sufficient and appropriate to prevent material conflicts of interest from arising between AIFs and investors therein, considering that:
- (a) CIP P/S manages ten AIFs with aligned investor interests (of which four are alternative investment vehicles established pursuant to limited partnership agreements governing each CIP Main Fund) and any investment opportunity falling within the investment scope of a CIP Main Fund will

be offered to a CIP Main Fund in preference to a New Markets Fund;
and

- (b) CIP II manages three AIFs with aligned investor interests (of which two are alternative investment vehicles established pursuant to the main fund CI II's limited partnership agreement).

3.5 The owners of CIP own the alternative investment fund managers CIP P/S and CIP II, which manages several alternative investment funds. Further, certain employees are employed with both CIP P/S and CIP II. The Board of Directors has identified the following potential conflicts of interests between CIP P/S and CIP II:

- (a) A potential conflict of interest between AIFs managed by CIP P/S or investors therein and AIFs managed by CIP II or investors therein in the event of a divestment of an investment made by AIFs managed by CIP P/S by way of sale or other means of transfer to an AIF managed by CIP II, and vice versa;
- (b) A potential conflict of interest between AIFs managed by CIP P/S or investors therein and AIFs managed by CIP II or investors therein if AIFs of both CIP P/S and CIP II have made investments in the same assets; and
- (c) A potential conflict of interest between the owners or employees of CIP P/S and AIFs managed by CIP P/S or investors herein in the event that the owners or employees of CIP P/S have a financial incentive to favour AIFs managed by CIP II in the management hereof at the expense of AIFs managed by CIP P/S or investors therein, and vice versa.

3.6 Due to the nature and complexity of the business activities carried on by CIP, including the ongoing portfolio management for AIFs and the limited size of CIP's organization, the risk of conflicts of interest between various AIFs or investors therein may not be completely preempted. Where conflicts of interest arise or may reasonably be expected to materialize, including such conflict of interests as identified in Clause 3.5 above, the Board of Directors and the Board of Management undertake to forthwith manage such conflicts of interest pursuant to the managing procedures set forth in this policy.

4. Managing conflicts of interest

4.1 In order to manage possible conflicts of interest, CIP maintains the processes, procedures and organizational arrangements referred to hereinafter:

4.2 Key arrangements

4.2.1 Key arrangements for managing conflicts of interest include the following:

- (a) All employees are bound by professional secrecy and confidential information is only to be shared if essential for performing a job function;
- (b) All employees are at all times bound to act loyally to CIP and be in full compliance with its procedures;
- (c) All employees receive instructions and guidance regarding the management of conflicts of interest;
- (d) All AIFs and investors therein are treated fairly;
- (e) All employees are bound by CIP's rules and guidelines for employee trading as in force and effect from time to time;
- (f) CIP monitors internal reporting and the effectiveness of its policies and procedures for managing conflicts of interest and the Compliance Officer will have special attention as to the possible conflicts of interest identified in Clause 3.5; and
- (g) Actual conflicts of interest are forthwith notified to the AIFs and their investors as they materialize.

4.3 **Internal reporting procedures regarding conflicts of interest**

4.3.1 The members of management and employees of CIP are subject to internal reporting obligations regarding conflicts of interest laid down in CIP's Code of Conduct and Risk Management Policy pursuant to which each of the directors and employees shall forthwith report to the Compliance Officer any identified conflicts of interest, including any risks thereof, which have not previously been identified and disclosed to investors, or as the case may be an investment committee, whether in this policy or otherwise.

4.3.2 Unless manifestly unfounded, the Compliance Officer shall without undue delay inform the Board of Directors and the Risk Manager of any notified conflicts of interest, including any potential risk thereof. The Compliance Officer's reports to the Board of Directors and the Risk Manager shall at least comprise the following:

- (a) A description of the identified conflicts of interest;
- (b) A description of the mechanisms resulting in the identified conflicts of interest;
- (c) The date on which the identified conflicts of interest were first reported to the Compliance Officer; and
- (d) The identity of the person(s) reporting the identified conflicts of interest to the Compliance Officer.

- 4.3.3 Directors of CIP may report identified conflicts of interest directly to the Board of Directors provided that the Compliance Officer and Risk Manager of CIP are notified.
- 4.3.4 Upon being notified of a conflict of interest or the risk thereof, the Board of Directors shall address the matter at the first-coming board meeting. If the Board of Directors is satisfied that a conflict of interest situation is substantiated in respect of the activities of an AIF managed by CIP, or the risk thereof is immediate, and such conflict of interest has not been disclosed to the relevant AIF under management and the investors therein, or as the case may be an investment committee thereof, the Board of Directors shall promptly report its findings to the AIF and/or the affected investors. Such reporting shall, to the extent possible, include the Compliance Officer's report and a proposal for resolution.
- 4.3.5 The Board of Directors may order the Risk Manager to prepare a memorandum on possible resolutions. The Risk Manager's report on possible resolutions shall be submitted to the involved AIFs and/or the affected investors, or as the case may be an investment committee, as well as the Board of Directors.
- 4.3.6 Where the limited partnership agreement/joint investment undertaking of an AIF or another instrument stipulates that a conflict of interest shall be presented to and where relevant determined by a body where representatives of the investors in the AIF have a seat, e.g. an investment committee of an AIF, the Board of Directors shall ensure that relevant measures are taken to inform such body of the conflict of interest as stipulated in the limited partnership agreement or other relevant instrument.

5. Strategy for the exercise of voting rights

- 5.1 CIP shall to the extent provided for in the rules or instruments of incorporation for an AIF under management, carry out an active ownership of assets held by the AIF in accordance with its investment strategy, and any other relevant provisions established for the AIF or the relevant investment. Active ownership shall include, without limitation, representation and exercise of all powers of the AIF or any subsidiaries thereof at inter alia shareholders' meetings and, advisory boards.
- 5.2 To the extent provided for in the rules or instruments of incorporation for an AIF under management or elsewhere CIP shall further exercise all rights conferred on the AIF, including any subsidiaries thereof, under the terms of any investment agreement, shareholders' agreement or otherwise in respect of an investment, and liaise with, consult, assist or procure assistance to be given in respect of any investment, and generally take any action reasonably appropriate for the protection of the assets of the AIF.

5.3 When administering ownership of investments on behalf of an AIF, or when exercising such rights as may be conferred on an AIF under the terms of inter alia an investment agreement, or shareholders' agreement, the Board of Directors is responsible for ensuring that such ownership is conducted and such rights are exercised to the exclusive benefit of the AIF and the investors therein. In order to prevent conflicts of interest from arising from the exercise of voting rights and to secure that such rights are exercised to the benefit of the concerned AIF and its investors, the following shall apply:

- (a) The Board of Directors shall monitor relevant corporate actions with respect to individual investments and shall oversee that such actions are made within the confines of the financial models, investment objectives and procedures established for each AIF. Corporate actions outside the ordinary course of the day-to-day business operation and other actions deemed to be material for the investment strategy of each AIF shall be decided by the Board of Directors. The Board of Directors may in its discretion and subject to the requirements set out inter alia in the rules or instruments of incorporation for an AIF, or a management agreement, report material corporate actions to the investors of that AIF, or as the case may be an investment committee thereof.
- (b) The Board of Directors shall be responsible for the day-to-day conduct of ownership of investments on behalf of an AIF and the effective exercise of such rights as may be conferred on the concerned AIF under the terms of inter alia an investment agreement, or shareholders' agreement. The Board of Directors shall on an ongoing basis oversee that the conduct of ownership and the exercise of rights conferred on the concerned AIF are carried out in accordance with the latest updated financial model, the investment objectives and the policy for the concerned AIF and the specific Investment. Where the exercise of voting rights is deemed to be of material significance or potential effect on the Investment, including compliance with a financial model, the investment objectives and the policy of the AIF, the Board of Directors shall decide on the exercise of voting rights. The Board of Directors may in exceptional circumstances, refer the matter to the investors of the AIF for final decision.
- (c) The Board of Directors shall ensure that in respect of each investment made by an AIF under management, a record is kept of any material actions taken on the basis of the financial model, the investment strategy or any other relevant documentation, which shall serve as a combined strategy for the exercise of voting rights and the conduct of ownership to such investments.

6. Managing conflicts of interest related to investment advice

6.1 CIP P/S may provide non-independent investment advice to other investment fund managers managing alternative investment funds or similar investment vehicles investing in parallel with, or investing in, an AIF managed by CIP P/S (“third-party managers”), as further described in CIP P/S’ Policy for Investment Advice.

6.2 All third-party managers are engaged upon CIP P/S’ initiative for the purpose of providing potential investors with the most beneficial way of investment (from a regulatory, commercial and tax perspective) when investing in an AIF managed by CIP. In connection with their engagement as manager and entering into an investment advisory agreement with CIP P/S, all such third-party managers shall be clearly informed of the fact that CIP P/S only provides non-independent investment advice related to investments in AIFs managed by CIP.

7. Monitoring and review of the Policy

7.1 The Board of Directors is responsible for ensuring that this policy is effectively and accurately implemented, observed and maintained.

7.2 The principles and procedures contained therein shall be monitored on an ongoing basis by the Compliance Officer and the Board of Management referring to the Board of Directors.

8. Approval

8.1 This policy was approved by the Board of Directors on 23 March 2020.

9. Approval history

Version:	Effective from:	Changes:	Performed by:
1 (CIP II)	18 March 2014		Board of directors of CIP II
2 (CIP II)	12 October 2015	N/A	Board of directors of CIP II
3 (CIP II)	19 September 2016	Changed and namely clause 3.4 as a consequence of two more AIFs under management of CIP II	Board of directors of CIP II
1 (CIP P/S)	7 October 2016		Board of directors of CIP P/S

2 (CIP P/S)	7 May 2018	Clause 4 regarding management of conflicts of interest have been updated to align with CI III LPA	Board of directors of CIP P/S
4 (CIP P/S and CIP II)	6 May 2019	Amended in connection with CIP's consolidation of its policies and procedures for CIP P/S and CIP II, and CIP P/S' establishment of Copenhagen Infrastructure New Markets Fund I K/S	Board of directors of CIP P/S and CIP II
5 (CIP P/S and CIP II)	23 March 2020	Amended in connection with CIP P/S' application to expand AIFM license to include provision of investment advice	Board of directors of CIP P/S and CIP II