



MANAGING
CONFLICTS OF INTEREST POLICY



FOR

COPENHAGEN INFRASTRUCTURE PARTNERS II P/S
(“CIP II”)

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1. Background and purpose

- 1.1 The policy sets out rules and procedures to ensure that CIP II 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. 1074 of 6 July 2016 (the “**AIFM Act**”), Section 27 (2)(3), and the Commission’s Delegated Regulation (EU) No. 231/2013 that applies to CIP II.
- 1.2 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 II, the alternative investment funds managed by CIP II and any investor or prospective investor therein.
- 1.3 This policy supplements CIP II’s general obligation to act with integrity and fairness, both towards the AIFs that it manages and investors and prospective investors therein. CIP II is committed to professionally manage conflicts of interest which may arise in the course of its business activities.
- 1.4 The policy shall be made available to alternative investment funds managed by CIP II and investors therein upon request.
- 1.5 The Board of Management shall ensure that the policy is made available on CIP II’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 managed by CIP II;
“ Compliance Officer ”	means the compliance officer as so appointed by the Board of Directors under the Compliance Policy of CIP II;
“ 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 members of the Board of Directors appointed and authorized by the Board of Directors to manage and oversee

due diligence activities undertaken in respect of an Investment;

“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 II 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 II or the investors therein.

3.2 Such conflicts of interest with respect to AIFs managed by CIP II may arise if CIP II or a relevant person or a person directly or indirectly linked by way of control to CIP II, including representatives, delegates, sub-delegates, AIFs not managed by CIP II 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 favor:
 - (i) gives priority to the interest of a client or group of clients or another AIF over the interest of an AIF;
 - (ii) gives 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 II may in accordance with its corporate strategy at the same time manage AIFs with similar investment strategies. The Board of Directors of CIP II undertakes to di-

minish 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 II are generally sufficient and appropriate to prevent material conflicts of interest from arising between AIFs and investors therein, considering that three AIFs (of which two are alternative investment vehicles established pursuant to the main AIF's (Copenhagen Infrastructure II K/S) limited partnership agreement) with aligned investor interests are managed by CIP II.
- 3.5 Due to the nature and complexity of the business activities carried on by CIP II, including the ongoing portfolio management for AIFs and the limited size of CIP II'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, 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 II 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 II 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 II's rules and guidelines for employee trading as in force and effect from time to time;

- (f) CIP II monitors internal reporting and the effectiveness of its policies and procedures for managing conflicts of interest; 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 II are subject to internal reporting obligations regarding conflicts of interest laid down in CIP II'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.
- 4.4 Directors of CIP II may report identified conflicts of interest directly to the Board of Directors provided that the Compliance Officer and Risk Manager of CIP II are notified.
- 4.4.1 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 II, 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.

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.

5. Strategy for the exercise of voting rights

- 5.1 CIP II 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 II 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 manage-

ment 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. Monitoring and review of the Policy

- 6.1 The Board of Directors is responsible for ensuring that this policy is effectively and accurately implemented, observed and maintained.
- 6.2 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.

7. Approval

- 7.1 This policy was approved by the Board of Directors on 18 March 2014, 12 October 2015 and 19 September 2016.

8. Approval history

Version:	Effective from:	Changes:	Performed by:
1	18 March 2014		Board of Directors

2	12 October 2015	N/A	Board of Directors
3	19 September 2016	Changed and namely clause 3.4 as a consequence of two more AIFs under management of CIP II	Board of Directors