

KJK MANAGEMENT S.A. POLICIES AND PROCEDURES MANUAL	
POLICY OR PROCEDURE STATEMENT	NUMBER
Conflict of Interest	6.1 SUM

KJK Management S.A.
Summary of Conflict Interest Policy

Table of Contents

1. GENERAL PRINCIPLES	3
1.1. APPLICATION.....	3
1.2. DEFINITIONS.....	3
2. IDENTIFICATION OF POTENTIAL CONFLICT OF INTERESTS.....	6
2.1. CONFLICTS OF INTERESTS BETWEEN AN AIF AND THE RELEVANT PERSONS.....	6
2.1.1. PERSONAL TRANSACTIONS.....	6
2.1.2. REMUNERATION	6
2.1.3. REPORTING OF CONFLICT OF INTERESTS.....	7
2.2. CONFLICT OF INTEREST BETWEEN THE AIFM AND THE AIFs OR THE INVESTORS IN THE AIFs	7
2.3. CONFLICT OF INTEREST BETWEEN CLIENTS	7
2.3.1. CONFLICT OF INTEREST BETWEEN AIFs.....	7
2.3.2. CONFLICTS OF INTEREST IN CASE OF REDEMPTION REQUESTS OF INVESTORS WITHIN AN AIF	8
3. PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST	8
4. MONITORING OF CONFLICTS OF INTEREST	8
5. DISCLOSURE OF CONFLICTS OF INTEREST TO INVESTORS OF AIFs	9
6. AMENDMENT AND REVIEW OF THE CONFLICT OF INTEREST POLICY	9
7. MEASURES TO MITIGATE AND REMEDY CONFLICTS OF INTERESTS	9

1. GENERAL PRINCIPLES

1.1. APPLICATION

This document has been issued by the board of directors of KJK Management S.A., a management company registered in Luxembourg and authorized by the *Commission de Surveillance du Secteur Financier* (“**CSSF**”) under chapter 16 of the law dated 17 December 2010 relating to undertakings for collective investment, having its registered office at 94, rue du Grünwald L-1912 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 156627, and which is now authorized as external alternative investment fund manager compliant with the requirements of the Luxembourg law dated 12 July 2013 on alternative investment fund managers and implementing Directive 2011/61/EU, as amended from time to time (the “**AIFM**”). The AIFM focus is investment and risk management services, as the case may be, for the following alternative investment funds (individually an “**AIF**” and collectively the “**AIFs**”):

1.2. DEFINITIONS

In these policies and procedures, the terms defined below shall have the following meaning:

“ AIFM ”	means KJK Management S.A., a public limited company (<i>société anonyme</i>), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 94, rue du Grünwald L-1912 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B 156627.
“ AIFM’s Personnel ”	All employees of the AIFM, members of the Board of Directors as well as the Conducting Officers.
“ AIFMD ”	means the Directive 2011/61/EU of 8 June 2011 on alternative investment fund managers.
“ AIFM Law ”	means the Luxembourg law of 12 July 2013 on alternative investment fund managers and implementing AIFMD.
“ AIFMR ”	means the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 supplementing AIFMD.
“ AIFs ”	means the alternative investment funds managed by the AIFM.

“Asset Manager”	means KJK Capital Oy with registered office at Tehtaankatu 27-29A, F-00150 Helsinki, Finland, to whom the AIFM has delegated the portfolio management of the AIFs.
“Board of Directors”	means the management organ of the AIFM.
“Compliance Officer”	Officer appointed in charge of the compliance function of the AIFM
“Conducting Officers”	means persons in charge of conducting, monitoring and supervising the activities and the business of the AIFM.
“Relevant Persons”	has the meaning set out in section 2 of the present conflict of interest policy.
“Risk Management Officer”	Conducting Officer in charge of the risk management function within the AIFM.
“Sub-Fund(s)”	means segregated portfolio(s) of assets and liabilities representing a specific investment program within an AIF.

BACKGROUND, PURPOSE AND SCOPE OF APPLICATION OF THE CONFLICT OF INTEREST POLICY

KJK Management S.A. has implemented procedures preventing or managing situations where conflicts of interests may arise (the “**Conflict of Interest Policy**”). Conflicts of interests are considered as any situation in which, in the course of managing an AIF, the AIFM, any relevant person (*i.e.* any person involved in the activities carried out by or on behalf of the AIFM, such as the AIFM’s Personnel, the delegates and, if applicable, the sub-delegates of the AIFM, the external valuer of the AIFM or, if applicable, the AIFM’s counterparties), or any person directly or indirectly linked by way of control to the AIFM (such as any member of the KJK Group) (together the “**Relevant Persons**”):

- (i) is likely to make a financial gain or avoid a financial loss at the expense of the AIF or its investors;
- (ii) has an interest in the outcome of a service or an activity provided to the AIF or its investors or to a client or of a transaction carried out on behalf of the AIF or a client, which is distinct from the interest of the AIF in that outcome;
- (iii) has a financial or other incentive to favour:
 - the interest of another investment undertaking, a client or group of clients or another AIF over the interest of the relevant AIF;
 - the interest of one investor over the interests of another investor or group of investors in the same AIF;
- (iv) carries out the same activities for the AIF and for another AIF, another investment undertaking or a client;
- (v) receives or will receive from a person other than the 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.

Several potential conflicts of interests may arise in the normal course of its business and operations, either on a one-off basis or potentially on a more recurring basis. The AIFM will identify, manage and disclose such conflicts of interest, in accordance with the applicable regulatory framework and in the AIF’s best interests.

Accordingly, the Relevant Persons undertake to honestly, fairly, with due skill care and diligence in the best interests of the AIFs and their investors, while providing the required expertise, acting with integrity, accuracy and diligence.

Such Relevant Persons are bound, for the purpose of good performance, by a certain number of obligations of diligence, loyalty and disclosure when performing transactions involving the assets of the AIFs or when acting on markets or investment area where the AIFs can be involved.

In accordance with article 15 of the AIFMD and articles 30 to 36 of the AIFMR, the AIFM has set up the present Conflict of Interest Policy in order to establish and implement procedures aiming at:

- identifying situations where (potential) conflicts of interests may arise, entailing a material risk of damage to the AIF's interests;
- establishing appropriate procedures, mechanisms and systems to manage those conflicts;
- maintaining procedures and systems designed to prevent actual damage to the customer's and investors' interests through any identified conflicts;
- maintaining records of such conflicts of interest (including potential conflicts of interests).

2. IDENTIFICATION OF POTENTIAL CONFLICT OF INTERESTS

For the purpose of identifying conflict of interests, the AIFM takes into account by way of minimum criteria the question of whether a Relevant Person is likely to make a financial gain, or avoid a financial loss in the broadest sense, at the expense of the AIFs, whether as a result of providing collective portfolio management activities or otherwise establish measures designed to ensure that relevant persons engaged in different business activities involving a conflict of interest carry on those activities at a level of independence. The necessary measures of identification of conflicts of interests include the following.

2.1. CONFLICTS OF INTERESTS BETWEEN AN AIF AND THE RELEVANT PERSONS

When joining the AIFM, and annually thereafter, the AIFM's Personnel shall be required as part of their compliance training, to take notice of the Conflict of Interest Policy.

2.1.1. PERSONAL TRANSACTIONS

The AIFM has implemented a personal transaction policy in order to ensure that all transactions entered into by the AIFM's Personnel which likely to give rise to a conflict of interest is properly managed and monitored. All transactions entered into by a Relevant Person are notified to the AIFM and, more particularly, to the Compliance Officer.

The Personal Transactions Policy prohibits the AIFM's Relevant Persons from using confidential information that they have obtained during their involvement with the AIFM for their own benefit.

2.1.2. REMUNERATION

In order to prevent a profit-sharing directly linked to the success of a specific transaction, the persons involved in control functions of the AIFs under management and the AIFM (*i.e.* risk management function, internal audit function and compliance function) are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

2.1.3. REPORTING OF CONFLICT OF INTERESTS

In connection with the recruitment or appointment of any AIFM's Personnel / Relevant Person the Compliance Officer will ensure that the new AIFM's Personnel / any new Relevant Persons receives the present Conflict of Interest Policy and informs him of any conflicts of interest in relation to the new position. The Compliance Officer, is responsible for ensuring this yearly recurrence.

The AIFM's Personnel shall issue declaration of any conflicts of interests that they may have, which will be updated and recorded accordingly.

On-going report of conflict of interests

The AIFM's Personnel / the Relevant Persons must immediately report to the Compliance Officer any new conflicts of interest which might occur (e.g. as a result of a change in assignments or activities), as well as any change in the circumstances of existing conflicts of interest.

2.2. CONFLICT OF INTEREST BETWEEN THE AIFM AND THE AIFs OR THE INVESTORS IN THE AIFs

In the unlikely event of a potential conflict of interest between a Fund and the AIFM, the AIF's interest will be given precedence over the AIFM's.

2.3. CONFLICT OF INTEREST BETWEEN CLIENTS

2.3.1. CONFLICT OF INTEREST BETWEEN AIFs

The AIFM shall assure that the AIFs it is managing will have conflicts of interest identification procedure in place and monitored on a regular basis.

In order to avoid any conflict of interests between AIFs, the AIFM will not, as a general rule, simultaneously negotiate the acquisition of an asset for several AIFs or Sub-Funds, unless the AIFs expressly agree to it.

In a case of a potential conflict of interest between an AIF and its investors and another AIF or the investors in that AIF, the Board of Directors will appoint a least one (1) of its members to represent the interests of each AIF. The Director such appointed will represent the interest of the AIF with a high level of integrity and independence. The Board of Directors then suggests the assignment of an asset to one AIF or Sub-Fund using the following objective criteria:

- investment strategy;
- geographic concentration of the main assets detained by an AIF;
- yield objectives;
- unitary level of risk;
- unitary volume of investment regarding the global level of risk;
- global amount to be invested by the AIF;

- detention duration: maximization of the valuation of the asset given its typology and the AIF's lifespan;
- detention type: direct, through a company, leasing;
- possibility of co-investment;
- type of funding;
- juridical status of ownership: co-ownership, full ownership;
- available equity or debt raising;
- respect of legal, regulatory, statutory, contractual requirements.

The final assignment of the asset is ultimately decided by the Conducting Officers in charge of fund and portfolio management of the AIFM who shall then report to the Compliance Officer.

2.3.2. CONFLICTS OF INTEREST IN CASE OF REDEMPTION REQUESTS OF INVESTORS WITHIN AN AIF

The AIFM will manage, and monitor conflicts arising between investors wishing to redeem their shares and investors wishing to maintain their investment in such AIF. The issuing documents of the AIF foresee that in case the redemption requests received from investors in the AIFs exceed a certain liquidity threshold, the AIF reserves to scale down pro-rata each redemption application, such application being however given priority with respect to the next redemption period.

3. PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

The AIFM has appointed the Compliance Officer as officer in charge of identifying, preventing, managing and monitoring potential conflict of interests within the AIFM. The Compliance Officer shall be assisted by the Risk Management Officer in carrying out this function.

The Compliance Officer will regularly communicate with the Risk Management Officer on the conflicts of interest he has identified, or which have been reported to him and will seek advice from the Risk Management Officer any time he identifies a conflict of interest which may entail a material risk of damage to the interests of one or more AIFs or its investors.

4. MONITORING OF CONFLICTS OF INTEREST

All potential conflicts of interests are to be documented with care in detail.

The documentation shall be kept by the AIFM together with the relevant trade data as the case may be.

At each meeting of the Board of Directors each Director of the AIFM is required to advise the Board of Directors of any changes to their previously advised Conflicts of Interest.

The Compliance Officer will keep, on an on-going basis, a report of all the conflicts of interests which have been identified by and/or reported to him (the "**Conflict of Interest Report**"). The Conflict of Interest Report will explain how such conflicts of interests, as the case may be, have been dealt with.

The Conflict of Interest Report will enable the Compliance Officer to identify the type of activities in which a conflict of interest entailing a material risk of damage to the interests of one or more AIFs or its investors may arise.

All Conducting Officers as well as all members of the Board of Directors will be provided yearly with the Conflict of Interest Report prepared by the Compliance Officer for their formal approval.

The Conflict of Interest Report will be retained for a period of at least five (5) years.

5. DISCLOSURE OF CONFLICTS OF INTEREST TO INVESTORS OF AIFs

For each AIF, the investors are entitled, once a year, to a reporting of the conflicts of interests in relation to their investment that may have occurred; such reporting shall be prepared by the Compliance Officer of the AIFM, who will provide it to the board of directors or similar applicable body of the relevant AIF. The report shall be presented to the annual general meeting of each AIF, or to the meeting of the investors' representation advisory committee of the relevant AIF, as relevant. For the avoidance of doubt, even if there are no conflicts of interests to report, a nil report shall be presented.

6. AMENDMENT AND REVIEW OF THE CONFLICT OF INTEREST POLICY

The present Conflict of Interest Policy will be reviewed at any change in the structure of the AIFM and at least yearly by the Board of Directors in order to ensure the effectiveness and appropriateness of the procedures implemented and will be updated regularly, taking into account any particular legislative evolution or the occurrence of any new source(s) of potential conflicts of interest.

7. MEASURES TO MITIGATE AND REMEDY CONFLICTS OF INTERESTS

The table below describes the potential conflicts of interests that have been identified as likely to entail a material risk to investors, together with the mitigation and remedial measures that are implemented in order to manage such conflicts of interest.

Decisions	Conflicts of interest	Mitigation / Remedial measures
Fund raising	<p>The management fee is calculated as a percentage of the total amount of committed capital, which would result in an increase of the size limit of an AIF without any advantage for the investors.</p> <p>The management fee is based on the net asset value / performance of an AIF, which could lead the AIFM to artificially increase the net asset value of such AIF, especially for assets which are difficult to value, and result in greater revenues for the AIFM at the expense of the AIFs.</p>	<p>The AIFM controls the level of subscriptions and the AIFs have a hard cap in their placement memorandum.</p> <p>The net asset value calculation, financial statements of the AIFs and therefore the whole valuation process is subject to the audit and review of the independent auditors of the AIFs, thus strictly limiting the possibilities of unnoticed overvaluation.</p>
	<p>The AIFM recommends the AIF to invest in assets that directly or indirectly benefits a Relevant Person and the investment is to the disadvantage of the AIF.</p>	<p>Related parties' transactions shall not be permitted unless explicitly foreseen in the fund documentation of the relevant AIF or subject to prior approval of the investors representative advisory committee in the relevant AIF.</p>
	<p>The AIFM recommends the AIF to an entity in which an investor in the AIF has a significant economic stake; or to a third party in a transaction in which the third party acquires financial instruments from an investor in the AIF or from an entity in which an investor in the AIF has a significant economic stake; and the investment is to the disadvantage of the AIF.</p>	<p>Related parties' transactions shall not be permitted unless explicitly foreseen in the fund documentation of the relevant AIF /or subject to prior approval of the investors representative advisory committee in the relevant AIF.</p>

Changes to the constitutional documents	Changes is brought to fee arrangements in favour of the AIFM and/or affiliated service providers.	Any change to the management fees or the fee arrangements between the AIFM and the AIF or any additional cost that is borne by the investors of the AIF results in a substantial modification of the placement memorandum of the AIF, for which the prior approval of the investors of the AIFs is required.
--	---	--

Co-investment decisions	The AIFM offers co-investments opportunities to third parties without any advantage for the investors; should an AIF be allowed to make such an investment on its own and the investment is to the disadvantage of the AIF.	The AIFM or the AIFs may enter into co-investment agreements only when deemed to be in the best interest of the AIF and/or the AIFM will make all decisions relating to the purchase or sale of any such co-investment solely in best interests of the AIF. Participating investors will generally agree upon the method which will enable the AIF to realize its investment, as further detailed in the placement memorandum of the AIFs. The possibility to enter into co-investment is disclosed in the placement memorandum of each AIF, as the case may be.
--------------------------------	---	--

Choice of service providers	Services are delegated to an affiliate of the AIFM to the detriment of the AIFs if the provider is not the most efficient cost provider.	The only service provider which is an affiliate of the AIFM is KJK Capital Oy, the Asset Manager, which is paid out of the assets of the AIFM, as disclosed in the placement memorandum of each AIF.
------------------------------------	--	--

Assets selection / investment decision	<p>Competing obligations are owed by the AIFM to multiple AIFs having comparable investment policies and strategies, <i>i.e.</i>:</p> <ul style="list-style-type: none"> - interest for an identical geographic zone at the same time; - same type of companies targeted; 	In order to avoid any conflict of interests between two AIFs, the AIFM will not, as a general rule, simultaneously negotiate the acquisition of an asset for several AIFs or Sub-Funds, unless the AIFs expressly agree to it.
---	---	--

- same amount of money available for investment with a limited number of assets on the market.

Cross trades Cross trades between two AIFs where a Relevant Person holds interests on terms that put one of the parties in a disadvantage. Each AIF has a clearly defined and separated investment policy as well as a different investment period.

Subscription agreements While marketing an AIF, the Board of Directors favours some of the investors by negotiating incentive terms to the detriment of the AIF or other investors.

Side letters The placement memoranda of KJK Fund II, SICAV-SIF and KJK Fund III SCA SICAV-RAIF contains a most favoured provision whereby, should the AIFM enters into a side-letter or any other written agreement with an investor which is more favourable than the rights and benefits established in favour of other investors whose commitment is at least equal to the investor benefiting from the side-letter, the AIFM shall offer to the such other investor the same rights and benefits.

Use of confidential information Relevant Persons use confidential information at the detriment of the AIFs or the investors in those AIFs. The Relevant Persons shall not use confidential information that they have obtained during their contractual relationship for their own benefit and any transaction which involves the misuse or improper disclosure of confidential information is prohibited.

Mandates of the board of directors / Conducting Officers Relevant Persons could hold positions and/or mandates which are likely to give rise to a conflict of interests with the mandate they hold in the AIFM/AIFs. Records of such positions and/or mandates shall be maintained in all instances and any conflict of interest arising from such position/mandate shall be disclosed in the Conflict of Interest Report which is communicated to the investors in he AIFs.