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## **Conflict of Interest Policy**

### **1. Introduction**

Apex Unitas Limited and Apex Ventures Fund Services Limited (“AUL” or “AVFSL” or “Firm”), formally known as Mainspring Nominees Limited and Mainspring Fund Services Limited, endeavours to manage any conflicts of interest fairly between (i) itself and its client, (ii) one client and another client or (iii) any person directly or indirectly linked to a client and the Firm (“Relevant Person”).

In line with the FCA rules, particularly PRIN 8 and SYSC 10, the Firm has established and implemented this Conflicts of Interest Policy which is appropriate to its size, nature, scale and complexity of its business and services it provides.

### **2. Definition of a Conflict of Interest**

A conflict of interest is a situation in which a person or a company is involved in multiple interests, financial or otherwise, where favouring one interest could involve working against another, and this is particularly so where this adversely affects a duty owed to a third party. A conflict of interest does not in itself imply wrongdoing, so a conflict can arise and be managed without disadvantaging a third party. A conflict exists where the circumstances are reasonably believed to create a risk that a decision may be unduly influenced by other interests, rather than a judgement of whether such decision was actually so influenced.

In identifying conflicts that may arise and the existence of which may entail a material risk of damage to the interests of a client, the Firm has considered whether it, another client or clients, a Relevant Person:

1. is likely to make a financial gain, or avoid a financial loss, at the expense of the client; or
2. has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client which is distinct from the client’s interest in that outcome; or
3. has a financial or other incentive to favour the interest of a second client or group of other clients over the interests of the client; or
4. carries on the same business as the client; or
5. receives or will receive from a person other than the client an inducement in relation to the service provided to the client other than the standard commission or fee for that service; or
6. undertakes any activity in one situation which may compromise its services and therefore limit its ability to act in another situation.

### **3. Potential areas of conflict**

One of the key regulatory risks within the private equity administration is the proper identification and subsequent management of conflicts of interest. Set out below are those

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potential conflicts which have been identified together with an explanation of how the specific conflict has been or will be managed.

### **1. Employee and the Firm**

(i) There may arise a situation where the interests of the individual staff member diverge from the Firm's. All employees are made aware when they join and periodically thereafter not to take any action that might, or might have the appearance of being, contrary to either the Firm's or any of our client's or their investor customer's best interests.

*The Firm's* staff and directors have signed employment contracts and their relationship with the company will be managed according to the terms of their agreement, the staff handbook, and/or anything subsequently agreed between them. Policies have been established in the following areas to ensure that any potential conflicts are identified and addressed appropriately:

- Personal account dealing
- Receipt of gifts or benefits

(ii) A member of staff may be an investor in a client's fund or may hold shares in portfolio companies in which our clients also hold an interest. A situation may arise where their interests are at odds with those of our clients.

The Firm is contracted to act only on instruction from our fund manager clients. Therefore, regardless of a staff member's interests the Firm may only follow an instruction provided by the relevant fund manager client, and by doing so no conflict will arise. The Firm has procedures in place to ensure that no one staff member can be in a position where they can take a unilateral decision that would bind the Firm or the fund manager.

### **2. Conflicts between clients**

(iii) A situation may arise where the interests of two of our clients diverge, for instance where they both hold interests in the same portfolio company but where they are in disagreement on the matter at hand. As nominee shareholder representing each client's holdings the Firm may find itself in a position where there is a potential conflict.

*The Firm* provides a regulated custody service to each fund manager separately. It holds the assets on behalf of the underlying investors, under the instruction of each fund manager. *The Firm* will not take a principal position regarding any shareholding and will only act under instruction from the fund manager in regard to the assets over which they have authority. It is therefore entirely possible that *the Firm* may find itself taking conflicting actions on the same matter reflecting the instructions of two or more of its clients. As it is following instructions no conflict of interest will have arisen.

(iv) The interests of the fund manager and of one or more of their investors may diverge, for instance in relation to their shareholding in a specific company, where they disagree with the fund managers course of action.

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The Firm owes a duty of care to the investor to safeguard their client money and assets, but it is contracted by the fund manager which in turn is contracted to the investor. If an investor has a disagreement with the fund manager their recourse is directly to the fund manager not to the Firm. Custody agreement/s, to which the investor has agreed by signing the fund manager's investment management agreement, makes clear that the Firm will take instructions only from the fund manager.

### **3. Conflicts between nominee companies**

(v) The Firm holds its interests in its client's portfolio companies via either (i) a single nominee for a specific fund manager, or (ii) via an omnibus nominee for multiple client's portfolio companies. In the first instance a conflict may arise between the interests of different clients, and in the second case, a conflict may arise between clients whose shares are held in the same nominee (and therefore potentially the Firm holds a single certificate in the name of the omnibus nominee, where the shares are held on behalf of investors of different fund managers, and even where the underlying investor may be the same, but have contracted separately with multiple fund managers).

Where a fund manager client has a separate nominee company for its assets no conflict will arise as the Firm will be instructed separately by each fund manager client and the Firm will transact separately on behalf of each specific nominee company.

In the second case where the assets are held through the omnibus nominee company it would be possible that the Firm has conflicting instructions relating to a single certificate covering the assets of multiple fund manager clients. While this may be administratively more cumbersome, the Firm will only act on an instruction from a fund manager in regard to the assets over which it has authority, regardless as to the form that the asset takes. In such a situation the Firm may apply to the portfolio company to split the share certificate if relevant.

### **4. Disclosure of conflicts of interest**

In addition to the specific issues referred to above, the Firm has put in place procedures to identify, monitor and manage conflicts and ensure both that, as far as possible, no client suffers by reason of a conflict and that, where the Firm cannot ensure that no client will suffer, the relevant conflict is referred to the relevant representative of the client.

In disclosing a conflict of interest to the relevant representative, the Firm will ensure the following is disclosed in a durable medium:

- (i) The general nature and sources of the conflict of interest or both,
- (ii) An explanation of the risks that arise as a result of the conflict of interest,
- (iii) A specific description of the conflict of interest that arise in the provision of investment services or ancillary services,
- (iv) The steps taken to mitigate the risks, taking into account the organisational and administrative arrangements established to prevent and manage the conflict and how these will prevent risk and / or damage to the interests of the client.

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The Firm endeavours to provide a detailed disclosure to the client to enable that client to make an informed decision with respect to the service in the context of which the conflicts of interest arises.

## **5. Procedure for raising a potential conflict of interest**

Early assessment and identification of potential conflicts is an iterative process, and the Firm relies on its staff to raise issues of conflict or potential conflict as they are identified.

(i) In the first instance the staff member will raise the issue with their direct line manager, or if more appropriate with the Compliance Department,

(ii) If the risk of a conflict is considered valid, this will be discussed by the senior management team immediately

(iii) During the monthly Compliance Meeting, any identified conflicts will be reviewed as well as the Firm's processes to ensure they are designed to identify conflicts, consider any changes to the business structure and strategy to review whether these give rise to any new conflicts, and review the Conflicts Register and to decide what action may be required.

(iv) Any identified conflict would then be included in the Conflicts Register.

## **6. Employee awareness**

Training is provided to all Jupiter employees on the identification, prevention, management, and monitoring of conflicts of interest. A Conflicts of Interest Register is maintained detailing potential conflicts impacting Jupiter and the internal arrangements and procedures in place to manage those potential conflicts. The Conflicts of Interest policy is reviewed periodically (and at least annually), and as and when business changes or significant events occur.

## **7. Review**

This Policy will be reviewed at least annually or on a more frequent basis should any discrepancies need to be addressed or further conflicts arises.