

## HOULIHAN LOKEY

### CONFLICT OF INTEREST SUMMARY POLICY

#### Introduction

Houlihan Lokey EMEA, LLP and Houlihan Lokey (Corporate Finance) Limited (each, “**Houlihan Lokey**” or the “**Firm**”) have obligations to address the requirements and guidance set out within the UK FCA Handbook and MiFID II (Directive 2014/65 EU), in each case where relevant to each of its businesses as a corporate finance advisory firm, relating to the identification and management of conflicts of interest (“**Conflicts**”).

As a corporate finance advisory firm active in the fields of M&A, financing, financial restructuring and financial opinions and valuations, Houlihan Lokey faces actual, potential and perceived Conflicts on a regular basis during the normal course of its business. This document sets out the Firm’s summary of the policies and procedures in relation to managing Conflicts when the Firm provides investment and ancillary services to its clients.

MiFID II requires that the Firm establishes and implements effective arrangements for complying with the obligation to identify, prevent (where possible), escalate and manage Conflicts as part of the Firm’s risk management processes and in order to treat clients fairly. Conflicts may arise in the context of client relationships or otherwise where a duty of care exists between two or more parties.

#### Forms of Conflict

The principal forms of conflict which arise in the Firm’s business are as follows:

Firm v Client.

Employee v Client.

Client v Client.

Employee v Firm.

Under our policies, employees of the Firm (including its partners, as appropriate) are required to consider situations where their activities and/or interactions with clients and other third parties could present and actual or potential (whether real or perceived) risk of Conflict.

#### Requirements

Employees of the Firm are required to take appropriate steps to identify and manage Conflicts which arise in the course of the Firm providing services or otherwise in the context of its business generally, and escalate those matters with a heightened risk of Conflict to its senior management. Employees follow various policies and procedures to address Conflicts which arise in the course of the Firm’s business.

These policies and procedures include the *Policy on the Identification and Management of Conflicts*, the *Information Handling Policy*, the Firm’s policies on personal account trading, private investments and management of outside business interests, the *Anti-bribery and Corruption Policy* and other Houlihan Lokey policies in procedures relating to Conflict management.

## **Conflicts Identification, Escalation and Management**

Houlihan Lokey employees are required to take appropriate action when they become aware of potential or actual Conflicts in the origination or execution of all business activities including, for example, new engagement approvals, decisions surrounding the commencement or continuation of business relationships and other day-to-day business activities with clients and other third parties.

To the extent that a Conflict is identified which cannot be readily addressed through existing controls or normal business processes then such matter will be escalated to determine the scope of risk and risk mitigation actions, as needed, to address the Conflict in a manner consistent with the Firm's regulatory obligations.

### **Mitigating Conflicts**

As referred to above, the Firm identifies and manages client Conflicts through its internal systems, using a customer relationship management system. Appropriate action to manage any actual Conflict identified is then communicated to the relevant employees involved in such matter by management involved in the consideration of the relevant Conflict. Such action may involve the establishment of further information barriers or other procedures, disclosing an interest to a client and, if the Conflict cannot otherwise be effectively mitigated, declining to act.

Under MiFID II, where applicable, disclosure is generally a measure of last resort as provided below. Where falling within the scope of such rules, any such disclosure will be in a "durable medium" (as defined under MiFID II), clearly state that the organisational and administrative arrangements established by the Firm to prevent or manage that Conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented, include specific description of the conflicts of interest that arise in the provision of services, explain the risks to the client that arise as a result of the Conflicts and include sufficient detail, taking into account the nature of the client, to enable an informed decision to be taken with respect to the service in the context of which the Conflicts arises.

For the avoidance of doubt, the Firm's disclosures are made in order to provide you with general information as to our approach to managing conflicts generally and not due to its having determined that its arrangements for managing Conflicts are insufficient. The Firm may make specific disclosure to you of conflicts of interest in circumstances where it deems such disclosure appropriate. In particular, in connection the provision of investment services (or services which are provided ancillary thereto), the disclosures should generally be made only as a measure of last resort where the effective organisational and administrative arrangements established by the Firm to prevent or manage Conflicts may not be sufficient to ensure with reasonable confidence that risk of damage to client interests will be prevented. This permits that an informed decision can be taken as to how to proceed. Any such disclosure contained in our engagement letter or elsewhere in connection with the Firm's activities as provided in this paragraph above is made in such context.

Where a Conflict cannot be sufficiently mitigated through use of information barriers, via the Firm's independence policy (requiring that employees must disregard any material interest when performing services for a Client), disclosures or other measures the Firm deems appropriate, then the Firm must decline to enter into such the relationship giving rise to such Conflict.

### **Governance**

All employees of the Firm are responsible for identifying and managing actual or perceived Conflicts in accordance with regulatory requirements and the Firm's policies and procedures. The Firm's governing body is required to define and oversee the implementation of arrangements which ensure effective management of Conflicts. Senior management receive frequent reports, at least on an annual basis, on situations which relate to management of Conflicts.