

Africa Infrastructure Fund



# Conflicts of Interest Policy

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## 1. Introduction

This Conflicts of Interest Policy is issued by the Board of Directors (the “Board”) of Africa Infrastructure Fund (Gambia) Limited (“AIF”) in pursuance of its objectives.

### A. Definitions

<b>Term</b>	<b>Definition</b>
Audit	AIF’s group audit department;
Board	the governance body or bodies with responsibility for an AIF Group Entity;
Board Member	a member of an AIF Group entity Board;
Business Divisions	all front office divisions within AIF: AIFX; Investor Relations; Investment Management and Advisory;
Client	any of the following: (a) an existing client of AIF; (b) a potential client of AIF (where AIF is seeking to enter into a relationship with the potential client in respect of services or transactions); (c) a past client where fiduciary or other duties remain in place.
Investor	any of the following: (a) an Investor in AIF or an AIF Group Entity; (b) a potential Investors in AIF or an AIF Group Entity; (c) a past Investor where fiduciary or other duties remain in place.
Close Personal Relationship	any of the following: (a) a romantic relationship of a Staff Member; (b) a personal business, commercial or financial relationship of a Staff Member; (c) or a cohabitee of a Staff Member
Compliance	AIF’s compliance department;

Conflict of Interest	a situation where one or more persons or entities have competing interests and the serving of one interest may involve detriment to another.
Conflicts of Interest Taxonomy	a summary description of circumstances across AIF which constitute or give rise to Conflicts of Interest including those which entail a material risk of damage to one or more Clients;
Consultants	individuals who are working for AIF, but are not directly employed by AIF (including officers, consultants, contractors, Tied Agents and agency workers);
AIF Group Entity	any legal entity in which Africa Infrastructure Fund (Gambia) Limited, directly or indirectly, holds more than 50 per cent of the equity or voting capital share (or equivalent);
Employee Trading	personal trading activities of Staff;
Episodic Conflict	a Conflict of Interest that arises as a result of an event or change in circumstance, either during the execution of a transaction or after the closing of a transaction, in particular where AIF has ongoing roles and responsibilities in connection with or related to the transaction or retains an economic interest in the transaction;
Family Member	in relation to a Staff Member, a spouse, civil partner, domestic partner, children or step-children, parent or parent-in-law, sibling or sibling-in-law, grandparent, aunt, uncle, first or second cousin, nephew, niece and third generation relatives.
Human Resources	AIF's human resources department;
Inducement	paying or receiving any fee, commission monetary or non-monetary benefit, or the receipt of Performance-based Commissions in relation to the provision of investment service and/or ancillary service to a Client;
Information Barriers	the physical and electronic barriers which help control the flow of information within AIF;
Support Functions	the following Support Functions within AIF: Operations; Finance; General Counsel/Company Secretariat; Human Resources & Admin; Risk Management/Compliance/Internal Control; Internal Audit
Legal	AIF's General Counsel/Company Secretarial Office;
Outside Business Interest	any interests or activities undertaken by Staff outside their role at AIF which are disclosable to AIF under AIF's policies and

	procedures including without limitation, external business interest, directorships, external employment and political office appointments;
Performance based Commission	any variable monetary and/or non-monetary benefit provided to AIF which is linked to AIF's performance in relation to a particular matter or activity which may include commissions paid by reference to different variables including achievement of defined targets. Such benefits qualify as performance-based even if they take effect in another assessment period.
Related Party	any person or entity who is considered a related party of AIF under applicable corporate law of the entity's country of incorporation. Examples include a parent, subsidiary or co-subsidiaries;
Risk	AIF's Risk Management, Compliance & Internal Control Function;
Rules	any laws, regulations, rules, supervisory expectations, codes of conduct/ethics, and standards of good or best practice relating to Conflicts of Interest applicable to AIF;
Senior Management	those Staff who are responsible for, or have significant influence over, the direction and day-to-day management of Africa Infrastructure Fund (Gambia) Limited (including all management positions in the two levels below the Group Executive Management Committee) and/or an AIF Group Entity;
Staff/Staff Member	any of the following: a permanent or temporary employee of AIF; a Contingent Worker.  Note: Use of the term "Staff" or "Staff Member" shall not be taken to imply that any particular individual has employment status with AIF.
Third Party Representative	any of the following: (a) an appointed representative (or where applicable, Tied Agent) of AIF who is involved in AIF's provision of services to a Client; (b) an employee of an appointed representative (or where applicable, Tied Agent) of AIF as well as any other natural person whose services are placed at the disposal and under the control of AIF or a Tied Agent of AIF and who is involved in the provision of services by AIF to a Client; or

	(c) natural person who is involved in the provision of services to AIF or its appointed representative (or where applicable Tied Agent) under an outsourcing arrangement
Tied Agent	a legal or natural person who acts on behalf of AIF under its full and unconditional responsibility, promotes investment services and/or ancillary services to clients or prospective clients, receives and transmits instructions or orders from the client in respect of investment services or financial instruments, places financial instruments and/or provides advice to clients or prospective clients in respect of those financial instruments or investment services;
Unit(s)	all Business Divisions and Support Functions;
Vendors	vendors, suppliers or service providers, consultants and advisors to AIF.

## 2. Scope

This policy sets out AIF’s arrangements in connection with the identification, documentation, escalation and management of Conflicts of Interest, including where such Conflicts of Interest arise in the context of its Business. Capitalised terms have the meaning ascribed to them in section 1A.

### A. Caveats

It is noted that in the early stages of AIF’s evolution as a corporate, “double – hatted” roles, such as the Chief Executive Officer also functioning as the Acting Chief Investment Officer and Acting Chief Financial Officer are anticipated and give rise to inherent conflicts. Till such time as appropriate Staff is hired to fill in these positions the Board and the Compliance function shall ensure that resultant conflicts are mitigated to as large an extent as possible.

## 3. What are Conflicts of Interest?

A “Conflict of Interest” is a situation where one or more persons or entities have competing interests and the serving of one interest may involve detriment to another. This policy applies to the extent that a Conflict of Interest gives rise to the risk of one or more of the following:

- (i) AIF and/or a significant Shareholder and/or Board Member and/or Staff Member failing to comply with legal or regulatory obligations;

- (ii) AIF and/or a significant Shareholder and /or a Board Member and/or a Staff Member failing to fulfil a duty of care, trust or loyalty owed to another person or entity such as a Client or an Investor;
- (iii) a significant Shareholder and/or Board Member and/or Staff Member's professional judgement and objectivity being compromised and/or hindering the proper discharge of their duties and responsibilities;
- (iv) a significant Shareholder and/or Board Member and/or Staff Member engaging in unethical conduct; and/or
- (v) AIF obtaining improper advantage or treatment or giving rise to the appearance of impropriety and reputational damage, including as it relates to the manner in which business is awarded to or by AIF.

A Conflict of Interest under this policy includes both an actual Conflict of Interest (i.e. a Conflict of Interest that has arisen) and a potential Conflict of Interest (i.e. a Conflict of Interest that may arise given particular facts and circumstances). It also includes a perceived Conflict of Interest (i.e. a situation which may give rise to the perception of a Conflict of Interest), even where a Conflict of Interest may not in fact exist.

Failure to identify and appropriately manage Conflicts of Interest could result in inappropriate or a range of adverse consequences for AIF, Clients, Investors, Shareholders, Board Members and Staff, such as reputational damage, damage to client relationships and loss of client business, regulatory sanctions, and risk of litigation. To assist in the identification of Conflicts of Interest, Annex 1 includes non-exhaustive lists of (i) relationships where Conflicts of Interest may arise and (ii) Conflicts of Interest scenarios, as well as (iii) a sample of specific examples of circumstances in which these Conflicts of Interest arise. It should be noted that this list, these scenarios and examples are not exhaustive.

#### **4. Approach to Conflicts Management**

AIF seeks to ensure that a Conflict of Interest does not adversely affect the interests of Clients, Investors, AIF, its shareholders or other stakeholders through the identification, prevention or management of the Conflict of Interest.

Some Conflicts of Interest are not permitted as a matter of law or regulation and others are permitted so long as AIF has appropriate means by which to manage them. AIF may utilise a number of means (which may be used individually or in combination) to manage a Conflict of Interest including:

- (i) organizational arrangements which are described in Annex 2;
- (ii) policies, procedures, systems and controls which are described in Annex 3;

- (iii) disclosure designed to inform the affected parties of the Conflict of Interest and its likely impact on them which is described in Annex 3; or
- (iv) avoidance of the service, activity or matter giving rise to the Conflict of Interest where the Conflict of Interest cannot be prevented or managed effectively using other means.

## 5. Staff Responsibilities

As part of AIF's approach to conflicts management, Staff must fulfil the responsibilities outlined below when performing their roles at AIF.

### A. All Staff

All Staff are responsible for identifying and managing Conflicts of Interest on an ongoing basis and are required to:

- (i) comply with this policy, Rules and other applicable policies and procedures relating to the identification, documentation, escalation and management of Conflicts of Interest;
- (ii) act with integrity and exercise good judgement and discretion;
- (iii) act with the requisite degree of independence and objectivity when discharging their responsibilities at AIF;
- (iv) avoid, wherever possible, situations giving rise to Conflicts of Interest due to any of the following:
  - a. a personal financial interest;
  - b. Family Members or Close Personal Relationships;
  - c. previous, current or potential future involvement in an activity or endeavour (whether at AIF or externally); or
- (v) different roles and responsibilities at AIF;
- (vi) immediately notify their supervisor and/or Compliance of the existence and general nature of a Conflict of Interest;
- (vii) immediately disclose Conflicts of Interest to the chairperson when participating in decision-making fora following which he/she should recuse himself/herself from the decision-making process and not seek to influence such decisions any further. Alternatively, the Chairperson should ask him/her to withdraw from the decision-making process.
- (viii) not be in a supervisory, subordinate or control relationship (having influence over conditions of employment) with closely related persons including Family Members or Close Personal Relationships;
- (ix) not misuse information obtained in the course of working at AIF including in connection with dealing in securities;
- (x) manage work-related information on the basis of AIF's "Need to Know" principle, respecting information barriers and duties of confidentiality at all times;

- (xi) challenge and escalate promptly issues of concern to their supervisors and Compliance so that Conflicts of Interest may be appropriately reviewed, managed and resolved;
- (xii) upon joining AIF and on a periodic basis, thereafter, complete all attestations required by Compliance; and
- (xiii) comply with applicable Rules which require transactions and arrangements between AIF and a Related Party to be carried out on an independent, arms-length basis.

## B. Supervisors

Staff who act in a supervisory capacity are required to:

- (i) actively seek to identify, mitigate and, to the extent required by Unit procedures, document Conflicts of Interest in their area of responsibility, including in connection with any current or planned activities;
- (ii) assess any Conflicts of Interest reported to them to determine if a Conflict of Interest exists;
- (iii) determine, after consulting Compliance and other control functions as required, the best course of action to resolve, manage or avoid the Conflict of Interest, including further escalation to a higher management authority where necessary or the (temporary or permanent) withdrawal of oversight of a given matter or activity from the Staff Member concerned;
- (iv) review on a quarterly basis or more regularly, if required, any reported Conflicts of Interest to ensure these are being managed in accordance with any agreed resolution; and
- (v) allocate responsibilities to Staff who report to them in a manner that does not lead to Conflicts of Interest and avoid allocation of responsibilities which will compromise the independence of control functions of AIF.

## C. Senior Management

Members of Senior Management are responsible for overseeing the identification, documentation, escalation and management of all Conflicts of Interest as they arise within their relevant areas of responsibility at AIF. Members of Senior Management are required to:

- (i) sponsor and encourage an appropriate culture which emphasizes the importance of ethical treatment of Clients and Investors and the fair handling of Conflicts of Interest;
- (ii) be engaged in the implementation of policies, procedures and arrangements for the identification, documentation, escalation, management and ongoing monitoring of Conflicts of Interest;
- (iii) be engaged in the clear communication of policies, procedures and expectations and the sharing of best practice throughout AIF;

- (iv) adopt a holistic view to identifying potential and emerging Conflicts of Interest within and across Business and Support Functions and to facilitate informed judgements with respect to materiality and the manner in which conflicts are handled;
- (v) raise awareness and promote adherence of Staff in completing regular training both at induction and in the form of refresher training;
- (vi) sponsor systems and controls to document, track, manage and mitigate Conflicts of Interest risk, and regularly review their effectiveness;
- (vii) consider the implications and take corrective action, where required, in connection with performance measurements or incentive schemes that may incentivize a Staff Member to act contrary to the duties and responsibilities owed to AIF and under applicable Rules; and
- (viii) utilise management information to remain sufficiently up-to-date and informed in connection with the matters listed above.

#### D. AIF Group Entity Board Members

Key obligations of Board Members of AIF Group Entities in connection with Conflicts of Interest are:

- (i) Board Members must generally act in the best interest of the AIF Group Entity they represent and ensure that procedures are in place so that transactions between the AIF Group Entity and Africa Infrastructure Fund (Gambia) Limited and/or another AIF Group Entity are generally undertaken only on an arms-length basis. In this context, a Board Member:
  - a. may consider the aligned interests of AIF as an element in their decision-making process;
  - b. may give AIF's interest significant weight where the Board Member considers this to be in the best interest of the relevant AIF Group Entity; and
  - c. has the responsibility to weigh the merits of the AIF Group Entity's interests and AIF's interests in the decision-making process;
- (ii) Board Members must ensure that business decisions are unaffected by Conflicts of Interest and must therefore:
  - a. proactively identify Conflicts of Interest resulting from their Board position (whether as a member of the management or the supervisory function) and disclose such Conflicts of Interest as required by the applicable terms of reference and Rules; and
  - b. refrain from any action that might be detrimental to the AIF Group Entity for which they are a Board Member. Material Conflicts of Interest, individually and collectively, should be adequately documented, communicated to, discussed and duly managed by the relevant Board;
- (iii) In general, a Board Member must not be involved in any kind of business which is in competition with the AIF Group Entity in which the Board membership is held without prior

approval by the shareholders of the relevant AIF Group Entity or the Board, as applicable under the relevant Rules;

- (iv) A Board Member cannot represent the AIF Group Entity in dealings with himself or herself, or with a third party represented by himself or herself, unless the relevant Rules permits such representation on the basis of consent (for example, by way of shareholders', supervisory or unitary management board resolution) and such consent is granted.

## 6. List of Annexes

Annex 1: Conflicts of Interest relationships, scenarios and specific examples

Annex 2: Description of the organisational arrangements relating to Conflicts of Interest

Annex 3: Description of policies, procedures, systems and controls relating to Conflicts of Interest

## **Annex 1: Conflicts of Interest relationships, scenarios and specific examples**

### **1. Relationships giving rise to Conflicts of Interest (non-exhaustive)**

Conflicts of Interest under this policy arise in a variety of relationships which are often closely related and may overlap. This includes Conflicts of Interest that arise between:

- (a) a Client and AIF, a Staff Member or a Third-Party Representative;
- (b) two or more Clients in the context of the provision of services by AIF to those Clients;
- (c) AIF and a Staff Member, Vendor, Third Party Representative or material shareholder;
- (d) iv. two or more Units, Staff Members or AIF Group Entities; or v. Africa Infrastructure Fund (Gambia) Limited and AIF Group Entities;

### **2. Conflicts of Interest scenarios (non-exhaustive)**

A non-exhaustive list of common Conflicts of Interest scenarios is set out below.

#### **2.1. Client-related conflicts**

Conflicts of Interest relating to Clients can be broadly described as scenarios where AIF, a Staff Member or a Third-Party Representative:

- i. is likely to make an inappropriate financial gain or avoid financial loss at the expense of a Client; ii. has an interest in the outcome of a service provided to a Client or of a transaction carried out on behalf of a Client which is different from the Client's interest in that outcome;
- iii. has a financial or other incentive to favour the interest of a Client or group of Clients over the interests of another Client;
- iv. carries on the same business as a Client;
- v. receives or will receive from a person (other than the Client) an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than a standard commission or fee for that service; or
- vi. has a financial or other incentive to favour the sale of a particular product or service to a Client which is not in the best interest of the Client.

#### **2.2. AIF-related conflicts**

Conflicts of Interest relating to AIF can be broadly described as scenarios where:

- i. a Staff Member's interest in the outcome of a particular activity or endeavour differs from AIF's interest; ii. a Staff Member (or, where applicable, a Family Member or Close

Personal Relationship) receives a financial or other significant benefit as a result of the Employee's position at AIF that is inappropriate in nature;

iii. a Staff Member has the opportunity to influence AIF granting business or making administrative and other material decisions in a manner that leads to personal gain or advantage for the Staff Member or a Family Member or Close Personal Relationship;

iv. a Staff Member's existing financial or other interest or previous engagement in an endeavour or activity or relationship with another person, impairs or could impair their judgment or objectivity in carrying out their duties and responsibilities to AIF;

v. a Staff Member favours interest of one Unit of AIF over another Unit of AIF which is inconsistent with the best interest of AIF including in connection with the selection of Vendors; or

vi. a Conflict of Interest arises in connection with a transaction or arrangement entered into between AIF and a material shareholder or between AIF Group Entities due to the close relationship between the parties.

### **3. Specific examples of Conflicts of Interest (non-exhaustive)**

The below is a sample, drawn from AIF's Conflicts of Interest Taxonomy, of specific examples of transactions and activities at AIF that may give rise to Conflicts of Interest which require appropriate management, mitigation or prevention:

**3rd Party Relationships** A Conflict of Interest may arise between AIF, a Client and a third party if AIF receives from or gives to the third party (which may include other financial institutions, vendors, or professional services firms (e.g. legal firms, tax advisory firms)) inducements or other types of non-monetary benefits (in return for example for introducing and/or recommending Clients to each other) as these arrangements may give rise to the risk that AIF or the third party gives advice or recommendations (including promoting particular products or services) which are driven by the commercial considerations arising from the incentive arrangement rather than the best interest of the Client, or AIF, or the third party is incentivized to act in a way that is inconsistent or diverges from the interest of the Client.

**Allocations** A Conflict of Interest may arise between AIF and a Client if AIF is involved in allocating a product, service, loans or securities (e.g. loan offering or syndication, investments, trades, IPOs, etc.) because AIF may be incentivized to allocate or price the transaction in a manner which favours itself or certain investor Clients (in return for example, for promises of reciprocal business), which may result in detriment to AIF's issuer/seller/borrower Client or other investor Clients.

**Cross-Selling Products** A Conflict of Interest arises between AIF, a Staff Member and a Client if the Staff Member engages to the detriment of a Client by providing multiple service/products to the Client which are not in the best interest of the Client principally to generate higher fees or revenue on behalf of AIF.

**Disclosure or use of non-public information including PSI** A Conflict of Interest arises between AIF, a Staff Member, a Client and other market participants if, whilst in possession of material non-public information (“MNPI”), a Staff Member misuses that information or discloses the information for their or AIF’s advantage to the detriment of the Client or other market participants.

**Family / Close Personal Relationship** A Conflict of Interest may arise between AIF, a Staff Member, a Client or a Vendor if a Staff Member deals with individuals who are Family Members or Close Personal Relationships in the course of conducting business for, or on behalf of, AIF because the dealings may compromise or otherwise call into question the Employee’s judgement, ability to act objectively or properly discharge their duties and responsibilities owed to AIF and/or Clients, or otherwise give rise to the risk of reputational damage to AIF, including the risk of, or appearance of, impropriety how business is awarded to or by AIF or AIF having obtained an improper advantage or treatment.

**Gifts and entertainment received** A Conflict of Interest may arise between a Staff Member and AIF, a Client or a third party if a Staff Member receives gifts and/or entertainment that may inappropriately incentivize the Staff Member to act in a way that may conflict with the interests of AIF, the Client and/or a third party.

**Opposing side pitches & transactions** A Conflict of Interest arises between AIF and Clients if AIF is pitching to, or acts for, opposing sides of the same transaction/situation.

**Use of inhouse products** A Conflict of Interest may arise between AIF, a Staff Member and a Client if the Staff Member recommends or advises the Client to purchase products or services developed by AIF (‘Inhouse products’), including recommending these ahead of products or services developed by third parties, because the impartiality of AIF’s advice or recommendation may be impaired by the desire on the part of the Staff Member to generate higher revenues for AIF.

**Window dressing (fund related)** A Conflict of Interest arises between AIF, Staff, Clients and other market participants if AIF is buying and selling securities on a portfolio immediately at or near the end of the reporting period to create a false appearance at the end of the reporting period, (for example to make the portfolio look more profitable or otherwise healthier than it has been), creating a false and misleading impression to the detriment of Clients or other market participants.

## **Annex 2: Description of organisational arrangements relating to Conflicts of Interest**

### **1. Internal Governance Arrangements**

#### **1.1 Board Governance**

The respective terms of reference for the Group Executive Management Committee and the Supervisory Committees set out the obligations of these bodies relating to the management of Conflicts of Interest. The Supervisory Committee is responsible for decisions with respect to Conflicts of Interest of Supervisory Committee members in accordance with applicable law. In addition, minimum governance requirements for AIF's legal entity boards are set forth in the Board Governance Policy.

#### **1.2 Segregation of Functions and Duties**

AIF structurally segregates its Business Divisions and Support Functions to allow for their independence. This segregation is reflected in the composition of the Group Executive Management Committee, its terms of reference and the Group Executive Management Committee's Business Allocation Plan. Under the Risk Management Principles, AIF also operates an internal control environment underpinned by a "Three Lines of Defence" framework that requires the independence of control functions, including Compliance, Risk Management, Internal Control and Internal Audit.

Additionally, Business Divisions implement policies and procedures and systems and controls so that one person or Unit does not execute all phases of a transaction, including applying a "four eyes" principle to avoid or mitigate the risk of asset or information loss. This arrangement is also referred to as segregation of duties.

#### **1.3 Committee Governance**

Each committee of AIF is required by AIF's Committee Governance Policy to have terms of reference in place. These terms must include the requirement for members of committees to consider potential Conflicts of Interest when determining the composition of the committee, considering the tasks and responsibilities of that committee. Further, the terms of reference must require committee members to disclose potential Conflicts of Interest on an ongoing basis to the committee chairperson and for the chairperson to take appropriate action to resolve such Conflicts of Interest.

### **2. Conflicts of Interest Minimum Standards Framework**

The COI Framework for the oversight and governance of Conflicts of Interest consists of the four elements set out below.

#### **2.1 Conflicts of Interest Register**

AIF maintains a register that records the types of Conflicts of Interest that have arisen or may arise in the course of AIF's services and activities or otherwise by virtue of AIF's structural or business practices.

## **2.2 Business Selection**

The Compliance team shall be consulted for transactional conflict clearing and business selection process, as well as other means of transactional conflict resolution;

## **2.3 Units Conflicts Oversight and Governance**

The COI Framework sets out minimum standards for Conflicts of Interest oversight and governance in each Unit, including:

- i. regular reporting to the Unit's executive committee;
- ii. maintenance of a Conflicts of Interest register, mitigation procedures and controls, and clearly defined escalation processes;
- iii. conduct of regular risk assessments;
- iv. the establishment of appropriate organizational and supervisory arrangements; and, where applicable,
- vii. management of disclosure of Conflicts of Interest to Clients and Investors.

## **2.4 Compliance**

Compliance is responsible for the development of related policies, the testing of controls implemented by Business Divisions and the regular risk assessment of Conflicts of Interest management by AIF.

Compliance is also responsible for certain aspects of AIF's overall conflicts management, including processes relating to Employee Trading and Outside Business Interests.

### **Annex 3: Description of policies, procedures, systems and controls relating to Conflicts of Interest**

AIF employs systems, controls, policies and procedures to manage Conflicts of Interest, including those summarized below.

#### **1. General Policies, Procedures, Systems and Controls**

##### **1.1 Information Barriers**

In accordance with the Information Barriers Policy, AIF maintains Information Barriers that are designed to restrict information flows between different areas of AIF. These restrictions enable AIF and Staff to carry out business on behalf of Clients and Investors without being influenced by other information held within AIF which may give rise to a Conflict of Interest. For the avoidance of doubt, and consistent with AIF's "Need to Know" policy, where a Staff Member is required by any other policy or procedure of AIF to share information with other Staff (including Staff in different group entities or different business lines), the Staff Member is required to do so in accordance with such policy or procedure provided that such sharing of information does not breach this Conflicts of Interest Policy or any related policies and procedures.

AIF's Compliance Team helps maintain the integrity of these Information Barriers by identifying non-public information through a "Watch List", monitoring the flow of this information within AIF and, where necessary, restricting activities based on this information through AIF's "Restricted List". These measures enable AIF to identify and manage potential Conflicts of Interest arising from sales, financing, asset management, advisory and Research activities in the period before, during and after transactions.

##### **1.2 Disclosure and Consent**

In certain circumstances, AIF may determine that its arrangements to prevent or manage Conflicts of Interest may not sufficiently protect a Client's or an Investor's interest from material damage and the respective Client or Investor must be made aware of this. Alternatively, AIF may decide, in certain circumstances, that a Client or Investor should be made aware of the potential for a Conflict of Interest and the arrangements that will be put place to manage the conflict. Where permissible under Rules and appropriate, disclosure to an affected Client or Investor may be made to inform the respective Client or Investor of the arrangements and/or to specifically seek their consent to act.

Disclosure of a Conflict of Interest to a Client or an Investor as the sole means of managing the Conflict of Interest is not permitted except as a measure of last resort. Such disclosure:

- i. must be made prior to the engaging the Client or Investor, in a durable medium and in sufficient detail to enable the Client or Investor to make an informed decision as to whether to accept the provision of the relevant service;

- ii. must state that it is being provided to the Client or Investor because AIF's organizational and administrative arrangements established to prevent or manage that Conflict of Interest are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of the Client or Investor will be prevented;
- iii. should take into consideration the nature of the Client or Investor and include a specific description of the Conflict of Interest that has arisen in connection with the proposed service;
- and iv. must include an explanation as to the general nature and source of the Conflict of Interest, the risks to the Client that arise as a result of the Conflict of Interest and a description of the steps undertaken to mitigate these risks.

### **1.3 Escalation**

AIF operates internal escalation processes for Conflicts of Interest, with each Unit having the responsibility of defining and documenting their respective processes under the COI Framework. The escalation processes are required to enable the Conflict of Interest to be escalated on a timely basis and considered at an appropriate level of seniority and by the correct stakeholders to arrive at the most appropriate resolution.

### **1.4 Whistleblowing**

AIF provides appropriate channels through the Whistleblowing Policy for the reporting/whistleblowing of Conflicts of Interest within AIF where a Staff Member considers this to be the appropriate channel to draw the matter to the attention of AIF.

## **2. Policies, Procedures, Systems and Controls relating to specific activities**

### **2.1 Advising and Arranging on Financing**

A Conflict of Interest may arise between a Client of AIF, Investors and AIF in the context of AIF's placing activities. All financing, including any syndication process, allocations and pricing, is conducted in accordance with the issuer Clients' interests. AIF is prohibited from putting its own interest, or the interest of an Investor, ahead of the Issuer Client, or inappropriately favouring one Investor over another.

### **2.2 Inducements**

A Conflict of Interest may arise where the payment or receipt of an Inducement would create an incentive for AIF to act in a way other than in the best interests of its Client or Investors. AIF has established policies, procedures and controls with regard to the payment and receipt of Inducements in order to assess their appropriateness and manage any Conflict of Interest that may arise.

### **2.3 Remuneration Practices**

A Conflict of Interest may arise where AIF's remuneration practice could incentivize a Staff Member to act contrary to their responsibilities, regulatory requirements or AIF's Code of Conduct. Under the Compensation Policy, AIF has a compensation framework in place to align compensation practices to avoid such an incentive.

AIF has implemented a supplementary Compensation Policy for AIFX and those relating to Investment Management an Advisory function which specifically addresses remuneration in connection with the provision of investment services and ancillary services under MiFID. The purpose of this policy is to avoid Client or Investor interests being adversely affected by AIF's incentive and remuneration practices.

#### ***2.4 Outside Business Interests***

A Conflict of Interest may arise between a Staff Member's Outside Business Interests and the interests of AIF, its Clients and Investors. The Outside Business Interests Policy imposes disclosure and approval requirements, enabling the identification, management and, where necessary, prohibition of Outside Business Interests that may give rise to Conflicts of Interest. An electronic register of Outside Business Interests is maintained by AIF, reviewed periodically and utilized for conflicts management purposes.

#### ***2.5 Employee Trading***

A Conflict of Interest may arise between a Staff Member and AIF or its Clients by virtue of Employee Trading. The Personal Account Dealing Policy requires disclosure and approval for personal trading accounts and pre-clearance for specific trading activity. The approval or rejection of an Employee Trading request is based on consideration of AIF's group-wide activities and engagement with its Clients in order to identify and thereby manage or avoid any Conflicts of Interest.

#### ***2.6 Gifts and Entertainment***

A Conflict of Interest may arise where a Staff Member receives or offers a gift or entertainment that constitutes an inappropriate incentive for a Staff Member, Third Party Representative, Client or Investor or Vendor to act in a certain way. The Gifts, Entertainment and Business Events Policy does not permit the offering or acceptance of gifts or entertainment by a Staff Member unless it is reasonable, proportionate and for a legitimate business purpose. Where applicable, Staff must obtain pre-approval for gifts and entertainment and approval will depend, among other criteria, on whether it may give rise to a Conflict of Interest.

#### ***2.7 Vendors and Third-Party Representatives***

A Conflict of Interest may arise in AIF's interaction with Vendors and Third-Party Representatives where, for example, a Staff Member involved in the procurement or hiring process has a close relationship with a particular Vendor or Third-Party Representative. AIF has

a Procurement Policy and operates multiple systems, controls, policies and procedures to manage these interactions, including due diligence requirements, contractual arrangements and an obligation on Staff to disclose matters that might give rise to a Conflict of Interest. In addition, where a Vendor is also an actual or potential Client of AIF, AIF seeks to manage these relationships independently and on an arm's length basis under rules of engagement established between AIF, Vendors and Clients in order to manage any Conflicts of Interest. This Code of Conduct is issued by the Group Board of Directors (the "Board") of Africa Infrastructure Fund (Gambia) Limited ("AIF") in pursuance of its objectives.