

Position Statement on FMOs management of Conflicts of Interest

FMO often adopts various roles (lender, investor, technical assistance/advisory services provider, among others) to adequately serve its investee clients and stakeholders which may give rise to potential conflict of interest (Col) situations.

Maintaining FMO's integrity and reputation is essential to successfully achieve FMO's vision, mission and strategic objectives. Conflict of interest matters are taken seriously at FMO because we understand our obligation as a financial institution to pursue adequate controls and sound business operations. Furthermore, we are conscious that not managing these conflicts adequately could harm the reputation of our institution, our investees and of other stakeholders.

FMO undertakes mitigating measures if and when two or more competing interests are present, and where acting in the interest of one of the parties could mean acting contrary to the interest of another party/parties, for example (the list is not exhaustive):

- When FMO is likely to make a financial gain or avoid financial loss at the expense of the client or stakeholder;
- If FMO has an interest in the outcome of a service provided to the client or stakeholder or a transaction carried out on behalf of the client or stakeholder, which is distinct from the client's or stakeholder's interest in that outcome;
- When FMO has a financial or other incentive to favor the interest of another client or stakeholder or group of clients or stakeholders over the interest of a client or stakeholder.

The FMO Conflict of Interest Policy is in place to address and adequately manage potential Col situations that may arise in a series of scenarios, including:

- FMO as a debt and equity provider to the same client, especially in distress situations.
- FMO as an equity provider and debt arranger in syndicated loans for the same client.
- FMO as a debt provider and facility agent.
- FMO as a debt provider and managing government debt funds.
- FMO as a bank, and having a subsidiary as Investment Manager
- FMO having clients with contradicting interests (e.g. one client's acquisition by the other).

If a conflict of interest cannot be adequately managed by structural or ad hoc measures, FMO commits to disclosing the conflict(s) of interest to the relevant parties. This is to make sure that all involved parties are able to take well-informed decisions regarding the services our institution offers. FMO may also decide to decline to service a client or stakeholder if a conflict of interest cannot be adequately managed.