

First Reserve Management, L.P.

Part 2A of Form ADV The Brochure

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This Brochure provides information about the qualifications and business practices of First Reserve Management, L.P. and its affiliates. If you have any questions about the contents of this Brochure, please contact us at 203-661-6601. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

First Reserve is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Additional information about First Reserve is also available on the SEC’s website at: www.adviserinfo.sec.gov. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure has been updated from the last annual update dated as of March 2014 to include information relating to investment vehicles that focus on the acquisition of debt securities related to infrastructure assets.

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Item 4. Advisory Business

For purposes of this brochure, “First Reserve” means First Reserve Management, L.P., a Cayman Islands exempted limited partnership, together (where the context permits) with certain of its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below) (together with First Reserve, the “First Reserve Advisers”). These affiliates are formed for tax, regulatory or other purposes in connection with the organization of the Funds, and/or serve as general partners of the Funds (collectively, the “General Partners”). First Reserve provides investment advisory services to and receives advisory fees from investment vehicles sponsored by First Reserve that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”) (the “First Reserve Funds” or the “Funds”). In February 2015, certain First Reserve personnel formed a hedge fund for the benefit of those personnel to focus on the acquisition of debt securities (the “Employee Hedge Fund”). First Reserve does not receive

advisory fees from the Employee Hedge Fund and, accordingly, that fund is not a “First Reserve Fund” or “Fund”.

As an investment adviser for each First Reserve Fund, First Reserve identifies investment opportunities and participates in the acquisition, management, monitoring and disposition of investments for each First Reserve Fund. The First Reserve Funds have two principle areas of business: 1) the private equity and buyout investment business (the “Buyout Funds”) and 2) the infrastructure investment business (the “Infrastructure Funds”). Both businesses focus exclusively on making investments within the energy and natural resources industries.

For the Buyout Funds, First Reserve primarily provides investment advisory services related to private equity investments, including leveraged acquisitions and recapitalizations, turnarounds, traditional buyouts and investments in growth platforms. Such private equity investments generally take the form of privately-negotiated investment instruments, including unregistered equity and debt securities of both U.S. and non-U.S. issuers. The Buyout Funds borrow money from time to time to make or facilitate private equity investments or for various other purposes, with such debt financings capped as set forth in the governing documents of the Buyout Funds. Although the primary focus of each Buyout Fund is on private equity investments, First Reserve also may from time to time offer advice on other types of investments consistent with the respective Buyout Fund’s investment objectives and strategies.

For the Infrastructure Funds, First Reserve primarily provides investment advisory services related to privately negotiated investments in infrastructure assets or businesses, including unregistered equity and debt securities of both U.S. and non-U.S. issuers. The Infrastructure Funds borrow money from time to time to make or facilitate private equity investments or for various other purposes, with such debt financings capped as set forth in the governing documents of the Infrastructure Funds. Although the primary focus of the Infrastructure Funds is on privately negotiated investments, First Reserve also may from time to time offer advice on other types of investments consistent with the respective Infrastructure Fund’s investment objectives and strategies. In this regard First Reserve provides investment advisory services to an Infrastructure Fund that is a Debt Fund (defined below) formed primarily to make privately negotiated investments no larger than \$40 million in senior and senior subordinated debt in energy-related infrastructure businesses.

Investment advice is generally provided to each First Reserve Fund pursuant to separate investment advisory agreements (each, an “Advisory Agreement”). The terms of the investment advisory services to be provided are set forth in each First Reserve Fund’s Advisory Agreement or other governing documents. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable First Reserve Fund and are set forth in the governing documents of such Fund provided to each limited partner of a First Reserve Fund (each a “Limited Partner” or an “Investor”) prior to investment in such First Reserve Fund. Investment advice is provided by the applicable First Reserve Adviser directly to the First Reserve Fund and not individually to the Limited Partners thereof, subject to the direction and control of the applicable General Partner.

First Reserve has been in business since 1983. First Reserve is principally owned by its employees. William Macaulay, Chairman and Co-Chief Executive Officer, and his related family trusts are the

largest owners of First Reserve. As of December 31, 2014, First Reserve managed a total of \$17,409,378,879 of regulatory assets under management, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

The First Reserve Funds

As compensation for investment advisory services rendered to a First Reserve Fund, each First Reserve Fund is charged an annual management fee, payable quarterly in advance. For those Funds that have defined commitment periods, Management fees during the commitment period of such First Reserve Funds generally are based on aggregate capital commitments of the Limited Partners and are asset-based thereafter, although in certain First Reserve Funds management fees are charged on a blended basis based on committed and invested capital. For those Funds that do not have defined commitment periods, management fees are generally asset-based throughout the term of the Fund. The management fees are negotiated collectively with the Limited Partners of each First Reserve Fund, and are subject to waiver or reduction by First Reserve. For those Funds that have defined commitment periods, Management fees during the commitment period typically range from 1.10% to 1.75%. Management fees are paid by the First Reserve Funds on behalf of the Limited Partners by (i) requiring Limited Partners to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the Limited Partners of such First Reserve Fund. In some situations, First Reserve may cause a First Reserve Fund to incur indebtedness for the payment of management fees. The Limited Partners of certain of the First Reserve Funds' parallel vehicles are charged an administration fee in addition to the management fee described above, payable quarterly in advance, equal to a percentage of the aggregate capital commitments of the Limited Partners in such parallel vehicle. Upon termination of a relevant advisory agreement, management fees that have been prepaid are returned on a prorated basis. Each First Reserve Fund's confidential private offering memorandum (each such memorandum, a "Confidential Private Placement Memorandum"), where applicable, and governing documents include a more detailed description of management fees charged to the Limited Partners of such First Reserve Fund.

First Reserve may also receive a variety of other fees from its First Reserve Fund portfolio companies and their affiliates. A First Reserve Fund's allocable share of (i) all transaction, directors', monitoring, advisory, financial, consulting, net break-up (including topping, break-up and similar fees), set-up, acquisition, and commitment fees (collectively the "Other Fees") received by the First Reserve Advisers, their affiliates or their respective employees and (ii) if applicable, 50% of any offering, placement, syndication, underwriting, solicitation or similar fees payable to a regulated broker-dealer that is an affiliate of the General Partner in connection with the distribution of debt or equity securities of a portfolio company other than the securities being acquired by the First Reserve Fund ("Broker Dealer Fees") will be applied to reduce the quarterly management fee of the applicable First Reserve Fund. However, the reduction amount will be reduced by any broken-deal expenses that the General Partner or its affiliates elected to bear instead of calling capital from the applicable First Reserve Fund. Fees received by (i) an employee of First Reserve in respect of (x) services rendered prior to the time such employee became an employee of First Reserve or (y) services rendered by such employee during any period when such employee serves in a bona fide, non-director management capacity (or other operational capacity

involving a material portion of such employee's business time) at a portfolio company or any of its affiliates and (ii) any senior advisor to First Reserve are not treated as Other Fees for purposes of calculating applicable reductions to the management fee. The recipients of this Brochure must refer to the detailed information found in each Confidential Private Placement Memorandum, where applicable, and governing documents for specific information about the fees earned by First Reserve, including Other Fees and, if applicable, Broker Dealer Fees and the fees charged to the First Reserve Funds.

The General Partners of the First Reserve Funds are also entitled to receive carried interest of up to 20% of profits on distributions derived from the disposition of investments (and, in certain circumstances, other income from investments) following a preferred return to the Limited Partners as set forth in each First Reserve Fund's Confidential Private Placement Memorandum, where applicable, and other governing documents.

Director's Compensation

Because its investment strategy includes making control investments, and in order to protect the First Reserve Funds' interests, when making equity investments First Reserve generally seeks appropriate shareholder rights including, in most situations involving control investments, the ability to designate a director(s) to serve on the board of directors of its portfolio companies. In their capacity as directors of portfolio companies, First Reserve personnel earn compensation in the form of cash, stock options or other equity awards from time to time.

A First Reserve Fund's allocable share of any compensation received by a First Reserve employee from a First Reserve portfolio company for serving as a director for that portfolio company is reimbursed to the applicable First Reserve Fund through a management fee offset. First Reserve does not treat its senior advisors as employees.

Co-Investment Vehicles

The General Partners of the First Reserve Funds from time to time offer certain persons, including existing Limited Partners, strategic investors or other third parties, the opportunity to co-invest in particular investments alongside of the applicable First Reserve Fund, subject to certain restrictions. In each case where co-investors participate in an investment, such co-investors will bear their pro rata share of any expenses associated with such investment but generally do not bear broken-deal expenses. In some circumstances, however, such co-investors are not charged any management fees in respect of their commitments to the applicable co-investment vehicle. In such cases, the portion of any Other Fees and, where applicable, Broker Dealer Fees received by First Reserve in respect of the applicable investment, which would otherwise offset the co-investors' management fees, will be retained by First Reserve and shall not be applied to further reduce the management fees paid by Limited Partners in respect of their capital commitments to the relevant First Reserve Fund. For additional information regarding co-investment allocation, please see Item 11 below.

Expenses Charged to the Funds

Except as set forth in the governing documents of a First Reserve Fund, the First Reserve Funds' Limited Partners will bear all legal and other expenses, including the out-of-pocket expenses of

the applicable General Partner, incurred in the formation of the applicable First Reserve Fund up to an amount as set forth in the organizational documents of the applicable Fund. Organizational expenses in excess of this amount, if any, ultimately will be borne by First Reserve. The First Reserve Funds' Limited Partners will also bear indirectly (to the extent not reimbursed by a portfolio company) the ongoing fees and expenses of the First Reserve Funds. Those fees and expenses will vary by First Reserve Funds, but typically will include, among other things: all routine, third-party administrative expenses incurred in the ordinary course, including cash management expenses, fees and expenses associated with the acquisition, custody, holding, developing, negotiating, structuring, monitoring, settling and disposition of investments (which includes *e.g.*, fees and expenses of expert network, finders and similar service providers), brokerage commissions, registration fees and expenses, custodial expenses and other investment costs, actually incurred in connection with portfolio investments, broken deal expenses, break-up fees, financing, legal (which includes expenses incurred in connection with a First Reserve Fund's legal and regulatory compliance with U.S. and non-U.S. laws and regulations (including reporting on and compliance with Form PF), and expenses incurred in connection with complying with provisions in side letter agreements, including "most favored nations" provisions), certain travel expenses (which includes first or business class commercial travel and from time to time includes the actual cost of non-commercial air travel), taxes and tax preparation expenses (which includes the preparation and filing of any forms, schedules, filings, information or other documents necessary to avoid the imposition of withholding or other taxes pursuant to "FATCA" and Report of Foreign Bank and Financial Accounts), registration expenses and any fees or other governmental charges levied against the First Reserve Funds and all expenses incurred in connection with any filings, investigation, settlement or review of the First Reserve Funds, auditing, regular reporting, advisory, consulting, expenses and compensation of management consultants and executive search firms, valuation experts and data providers (including related systems/services from such data providers), fees and expenses of other professional and technical services in connection therewith (to the extent not subject to any reimbursement of such fees and expenses by portfolio companies or other third parties), engineering and accounting fees and expenses, interest on fees and expenses arising out of all borrowings made by the First Reserve Funds, the fees and expenses of certain senior advisors to First Reserve (depending on the nature of their services to First Reserve and any applicable portfolio companies), the out-of-pocket costs of any litigation, D&O liability or other insurance and indemnification (including advances) or extraordinary expense or liability relating to the affairs of First Reserve Funds, placement compensation payable to any placement agent (including any out-of-pocket expenses of such placement agent and any indemnification expenses payable to such placement agent) or financial advisor in connection with subscriptions for interests in First Reserve Funds by investors (such fees and expenses will be applied to reduce the quarterly management fee of the applicable First Reserve Fund), expenses of the Limited Partner Advisory Boards for the First Reserve Funds (each an "Advisory Board")¹ and meetings of the Limited Partners, fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any portfolio investment or potential portfolio investment or otherwise facilitating the investment activities of the First Reserve Funds, and expenses of liquidating the First Reserve Funds.

¹ Generally an Advisory Board is made up of a small number of voting representatives of certain Limited Partners of a First Reserve Fund.

Although First Reserve does not generally use the services of broker-dealers for the purpose of executing portfolio investments of the First Reserve Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a First Reserve Fund, such First Reserve Fund may incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below. Investors should review all fees charged by First Reserve, its affiliates, and others to fully understand the total amount of fees to be paid by the First Reserve Funds and, indirectly, their Limited Partners.

Item 6. Performance Based Fees and Side-by-Side Management

As noted on the response to Item 5 above, First Reserve Funds allocate a portion of their investment profits to their respective General Partners, as set forth in each First Reserve Fund's Confidential Private Placement Memorandum, where applicable, and its governing documents. Such General Partners' entitlement to performance-based distributions may create an incentive for First Reserve to take risks in managing the First Reserve Funds that it would not otherwise take in the absence of such arrangements or with respect to funds from which First Reserve does not receive performance-based compensation (e.g., certain co-investment vehicles). First Reserve has in place policies and procedures to address the potential conflict to favor, or take increased investment risk with respect to, First Reserve Funds from which it receives higher performance-based compensation over First Reserve Funds from which lower performance-based compensation is received, including policies and procedures designed to ensure allocation of investments to the First Reserve Funds on a fair and equitable basis, taking into account the First Reserve Fund's investment objectives. See Item 5, Fees and Compensation, above and Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, below for additional detail.

Item 7. Types of Clients

First Reserve provides investment advisory services to the First Reserve Funds. Investment advice is provided directly to each First Reserve Fund, subject to the direction and control of their respective General Partners, and not individually to the Limited Partners of such First Reserve Fund. Investors in the First Reserve Funds include, but are not limited to, high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, sovereign wealth funds, trusts, estates, endowments, foundations, and corporate or other business entities.

Details concerning applicable Investor suitability criteria are set forth in the respective First Reserve Fund's Confidential Private Placement Memorandum, where applicable, and subscription materials. Although First Reserve and/or its affiliates have the authority to accept subscriptions for lesser amounts, minimum investment commitments generally are established for Limited Partners in First Reserve Funds. Investors making capital commitments of less than the minimum investment commitment may be required to invest through an affiliated vehicle rather than through the primary fund. Each Investor is required to meet certain suitability qualifications, such as being an "accredited investor" and "qualified purchaser" within the meaning set forth under the United States federal securities laws.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The following is a summary of the methods of analysis and investment strategies generally employed by First Reserve as well as the material risks associated with investing in such strategies. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on each applicable First Reserve Fund's investment, operational and other actual and potential risks.

Method of Analysis

First Reserve has separate investment committees for its Buyout Funds and Infrastructure Funds, respectively (collectively, the "Investment Committees"). The members of the Investment Committees typically meet weekly with the First Reserve staff responsible for formulating and implementing the investment strategies of each First Reserve Fund (collectively, the "Investment Staff") to review and stay informed about current activities in each portfolio, the status of all First Reserve Fund investments and administrative matters. First Reserve's current view on industry trends, market conditions and other relevant items are also discussed at such time. The members of each Investment Committee then meet amongst themselves to discuss certain transactions in more detail and further deliberate the relative merits and risks of proposed investments with the Investment Staff involved in order to encourage candid dialog and, ultimately, to vote on each investment decision.

The Investment Committees and First Reserve's entire Investment Staff work together to identify and vet possible investment opportunities for the First Reserve Funds. First Reserve employs various methods of analysis, including fundamental and technical methods, when analyzing potential investments.

Investment Strategy

First Reserve's overall strategy is to identify emerging trends in the global energy and natural resources industries and engage in transactions with market participants to capitalize on those trends.

Buyout Funds

The Buyout Funds generally target equity and equity-related investments in energy and natural resource companies throughout the world. The Buyout Funds generally focus on companies in which First Reserve can have significant influence through the Fund's ownership position and board representation. Other investments, particularly those in less-traditional sectors of the energy and natural resources industries or in emerging markets, are structured from time to time so that First Reserve will work closely with an experienced industry or regional partner. With respect to all investments, First Reserve seeks to bring to bear its industry and strategic expertise.

The Buyout Funds focus on capitalizing on primary investment themes identified for each First Reserve Fund, including the decades long underinvestment in worldwide energy infrastructure, the increasing importance of offshore oil and gas production, new or improved technologies and the global nature of the energy and natural resources industry.

In evaluating potential portfolio investments, First Reserve conducts extensive due diligence to analyze, among other things, the target company's market and competitive position, the target company's cost and revenue structures, the target company's assets, management team, contingent liabilities (environmental, regulatory, accounting or otherwise), integrity and compliance, potential growth opportunities and First Reserve's potential exit strategies.

First Reserve has invested in a range of segments within the energy and natural resources industry historically and currently intends to focus its strategy in the following investment areas: (1) Resources (which includes oil, gas, coal, mining and minerals), (2) Equipment and Services, and (3) Midstream and Downstream.

The balance of the Buyout Funds generally has been invested in power assets, renewables and energy related insurance and financial investments, although First Reserve currently does not intend to focus on new investments in those sectors in the future.

Infrastructure Funds

First Reserve's investment strategy with respect to the Infrastructure Funds focuses on infrastructure investment in four sectors within the energy value chain: (1) "Contracted Power," which includes the generation of electricity from conventional fuels, such as natural gas-fired plants, as well as renewable sources, such as wind and solar, (2) "Contracted Midstream," which includes pipelines, storage, and other logistics assets dedicated to basic energy resources, (3) "Contracted Energy Assets," which include large scale equipment providing logistics and services for the collection, movement, and processing of energy resources, such as floating storage facilities and ships, and (4) "Regulated Transmission and Distribution," which includes electric transmission, as well as electric, natural gas, and other utility distribution businesses. First Reserve believes that certain businesses in these sectors have investment characteristics that result in less volatility than other energy businesses or transportation infrastructure assets. By focusing its investment strategy on these sectors, the Infrastructure Funds seek to provide attractive risk-adjusted returns generally through investments that include one or more of the following characteristics: (i) long-lived assets with monopolistic and/or highly defensible franchises; (ii) current cash income; (iii) low commercial and market risks; and (iv) a geographic focus on the countries in the Organisation for Economic Co-operation and Development which allows for a large opportunity set while maintaining lower political and counterparty risks.

Risks

Prospective investors in any First Reserve Fund, including the Buyout Funds and the Infrastructure Funds, or any investment vehicle sponsored by First Reserve should be aware that an investment in any such First Reserve Fund or investment vehicle involves a high degree of risk. Each investor should carefully consider the following risks, along with the risk factors and potential conflicts of interest described in the applicable Confidential Private Placement Memorandum or subscription documents, as applicable, of the First Reserve Fund or vehicle. As a result of these risks, and other risks inherent in any investment, there can be no assurance that any First Reserve Fund or

investment vehicle will meet its investment objectives or otherwise be able to carry out its investment program successfully or that an investor will receive a return of its capital.

No Assurance of Investment Return. There can be no assurance that any First Reserve Fund will be able to generate returns for its Investors or that the returns will be commensurate with the risks of investing in the type of investments in which such First Reserve Fund participates. Accordingly, an investment in a First Reserve Fund should only be considered by persons who can afford a loss of their entire investment. Past activities of investment entities associated with First Reserve provide no assurance of future success. There can be no assurance that projected or targeted returns for any First Reserve Fund will be achieved.

General Business and Management Risk. Investments in the portfolio companies of the First Reserve Funds subject the First Reserve Funds to the general risks associated with the underlying businesses, including, but not limited to, market conditions, changes in regulatory requirements, reliance on management at the portfolio company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases the relevant First Reserve Adviser will monitor portfolio company management, management of each portfolio company will have day-to-day responsibility of such portfolio company. Further, a First Reserve Fund's success will depend in large part upon the skill and expertise of the Investment Staff of First Reserve, and there can be no assurance that any individual First Reserve professional will continue to be associated with the First Reserve Funds. The General Partner and First Reserve Adviser of a First Reserve Fund will have exclusive responsibility for a First Reserve Fund's activities, and, other than as may be set forth in a First Reserve Fund's governing documents, Investors will not be able to make investment or any other decisions concerning the management of a First Reserve Fund.

Illiquid and Long-Term Investment Risks. An investment in a First Reserve Fund requires a long-term commitment with no certainty of return. It is unlikely there will be significant near-term cash flow available to the Limited Partners. Although investments by the First Reserve Funds may generate current income, the full return of capital and the realization of gains, if any, from an investment is generally not expected to occur until the partial or complete disposition or refinancing of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made. It is unlikely that there will be a public market for the securities held by the First Reserve Funds at the time of their acquisition. The First Reserve Funds will generally not be able to sell the securities of portfolio companies publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases the First Reserve Funds are prohibited by contract or regulatory reasons from selling certain securities for a period of time. There can be no assurances that private purchasers of the First Reserve Funds' investments will be found.

Risks relating to Due Diligence of and Conduct at Portfolio Companies. Before making investments, the First Reserve Advisers will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment.

From time to time, outside consultants, legal advisors, accountants, investment banks and other third parties are involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors, consultants and other third parties may present a number of risks primarily relating to First Reserve's reduced control of the functions that are outsourced. The due diligence investigation that a First Reserve Adviser carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation may not necessarily result in the investment being successful.

Use of Leverage. The investments of the First Reserve Funds include companies whose capital structures have significant leverage. In addition, investments are consummated through the use of significant leverage from time to time. While investments in leveraged companies and the use of leverage in financing transactions offer the opportunity for capital appreciation, such investments also involve a higher degree of risk.

Controlling Interests. Because of its equity ownership, representation on the board of directors and/or contractual rights, a First Reserve Fund is often considered to control, participate in the management of or influence the conduct of portfolio companies. Under certain circumstances, such ownership or roles could be used by third parties as the basis for such parties to assert claims against such First Reserve Fund or its affiliates whether or not there is any actual liability on such basis. If these liabilities were to arise, such First Reserve Fund could suffer a significant loss.

Market Conditions. A recession, slowdown and/or sustained downturn in the United States or global economy (or any particular segment thereof) will have a pronounced impact on each First Reserve Fund and could adversely affect such First Reserve Fund's profitability, impede the ability of such First Reserve Fund's portfolio companies to perform under or refinance their existing obligations, and impair such First Reserve Fund's ability to effectively deploy its capital or realize investments on favorable terms.

Highly Competitive Market for Investment Opportunities; Risk of Limited Number of Investments; Concentration of Investments in the Energy and Natural Resources Industries. Because the First Reserve Funds operate in a highly competitive market, there can be no assurance that a First Reserve Fund will be able to locate, consummate and exit investments that satisfy such First Reserve Fund's rate of return objectives or that such First Reserve Fund will be able to invest fully its committed capital. The First Reserve Funds typically participate in a limited number of investments and, as a consequence, the aggregate returns of a First Reserve Fund may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, other than as set forth in the governing documents of each First Reserve Fund, Investors have no assurance as to the degree of diversification of a First Reserve Fund's investments, either by geographic region or transaction type. To the extent a First Reserve Fund concentrates investments in a particular issuer, security or geographic region, its investments will be more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, the portfolio companies of the First Reserve Funds are expected to be concentrated in the energy and natural resources industries. Such concentration involves risks greater than those generally associated with more diversified funds, including significant fluctuations in returns.

Energy and Natural Resources Industries. Investments in the energy and natural resources industries and energy infrastructure assets are subject to certain special risks, including, but not limited to, the following:

Volatility of Commodity Prices. The performance of certain of the First Reserve Funds' investments will be substantially dependent upon prevailing prices of oil, natural gas, coal and other commodities (such as metals) and the differential between prices of specific commodities that are a primary factor in the profitability of certain conversion activities such as petroleum refining ("crack spread") and power generation ("spark spread"). Commodity prices have been, and may in the future be, volatile and subject to wide fluctuations in response to uncertain market factors that are beyond the control of First Reserve or the First Reserve Funds.

Infrastructure Assets Generally. Investment in infrastructure assets or businesses involves many significant relatively unique and potentially acute risks. Project revenues can be affected by a number of factors including economic conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of an infrastructure asset may adversely affect the overall profitability of the investment. Events outside the control of a portfolio company, such as political action and governmental regulation, demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, social stability, natural disasters, changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major customer and/or acts of war or terrorism, could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities. In turn, this could impair a portfolio company's ability to repay its debt, make distributions to a First Reserve Fund or even result in termination of an applicable concession or other agreement. As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks, many of which are not under the control of the owner/operator, including labor issues, failure of equipment to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. It is expected that portfolio companies will typically maintain insurance to protect against certain risks, where available on reasonable commercial terms, such as business interruption insurance, that is intended to offset loss of revenues during an operational interruption. Such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio company's losses. In addition, investments in infrastructure assets or businesses may also be affected by the prevailing prices of related commodities such as oil, gas and coal, which are generally subject to significant fluctuation.

Regulatory Risk; Government, Agency and Rate Risk. The energy and natural resources industries are subject to comprehensive U.S. and non-U.S. federal, state and local laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the portfolio companies and the prospects of the First Reserve Funds. Such investments also from time to time involve an ongoing commitment to or from a government agency and derive a significant portion of their revenues from regulated tariffs

or other usage or throughput-related fees. The nature of these obligations exposes the owners of portfolio companies and energy and natural resources related investments to a higher level of regulatory control and political risk than typically imposed on other businesses.

In addition, investments in renewable energy and related businesses and/or assets currently enjoy support from national, state and local governments and regulatory agencies designed to finance or support the financing development thereof. There can be no assurance that government support for renewable energy will continue or that favorable legislation will pass. To the extent any tax credits, other favorable tax treatment or other forms of support for renewable energy are changed, the First Reserve Funds' renewable energy investments would likely be negatively impacted.

Uncertainty of Estimates. Estimates of energy and natural resources reserves (e.g., hydrocarbon reserves or mineral reserves) and of factors such as solar energy intensity and movement of wind and water flow (for solar, wind and hydroelectric power, respectively) by qualified engineers are often a key factor in valuing certain energy and natural resources companies and related infrastructure assets or businesses. The process of estimating reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data. These estimates are subject to wide variances based on changes in commodity prices and certain technical assumptions. Accordingly, it is possible for such estimates to be significantly revised from time to time, creating significant changes in the value of the assets or businesses owning such reserves.

Environmental Matters. Environmental laws, regulations and regulatory initiatives play a significant role in the energy and natural resources industries and can have a substantial impact on investments in these industries or investments in infrastructure related to these industries. The energy and natural resources industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. From time to time, First Reserve Funds invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments.

Catastrophe Risk; Force Majeure. The operations of energy and natural resources companies and energy infrastructure assets targeted by the First Reserve Funds are subject to many hazards inherent in the transporting, processing, storing, refining distributing, mining or marketing of natural resources like natural gas, natural gas liquids, crude oil, coal, minerals, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such commodities or potential unplanned interruptions caused by significant catastrophic or force majeure events.

Drilling, Exploration, Development and Mining Risks. From time to time, First Reserve Funds invest in businesses or projects that engage in exploration and development, a

speculative business involving a high degree of risk. Oil and gas drilling may involve unprofitable efforts, not only from dry holes, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Mining is subject to inherent risks including unexpected equipment or maintenance problems, variations in geological conditions, natural disasters, underground mine flooding, environmental hazards, industrial accidents, explosions caused by the ignition of coal dust or other explosive materials at mines sites and fires caused by the spontaneous combustion of coal and, in certain cases, periodic labor unrest.

Power Purchase Agreement Risk. Portfolio companies from time to time enter into power purchase agreements (“PPAs”). Payments by power purchasers to such companies or projects pursuant to their respective PPAs could provide the majority of such companies’ or projects’ cash flows. There can be no assurance that any or all of the power purchasers will fulfill their obligations under their PPAs or that a power purchaser will not become bankrupt or that upon any such bankruptcy its obligations under its respective PPA will not be rejected by a bankruptcy trustee. There are additional risks relating to the PPAs, including the occurrence of events beyond the control of a power purchaser that could excuse it from its obligation to accept and pay for delivery of energy generated by a company or project. The failure of a power purchaser to fulfill its obligations under any PPA or the termination of any PPA would likely have a material adverse effect on a portfolio company or project.

Political and Societal Challenges. Energy and energy-related projects are often subject to siting requirements. Siting of energy projects is also frequently subject to regulation by applicable state, county and local authorities. For example, proposals to site an energy plant are from time to time challenged by various parties, including non-governmental organizations (“NGOs”) and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts, including the common “not in my backyard” phenomenon. Concerns can also arise regarding some of the techniques used in the extraction of shale gas in order to enhance recovery, such as the use of natural gas hydraulic fracturing (also known as “fracking”), which often requires governmental permits or approvals and which have recently been the subject of heightened environmental concerns and public opposition in some jurisdictions. The failure of any portfolio company or project to receive, renew or maintain any required permits or approvals or any inability to satisfy any requirement of any permits or approvals would likely result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations.

Sovereign Risk. The rights of certain portfolio companies to extract mineral resources, or to generate, deliver or sell energy or related services and equipment are often granted by or derive from approval by governmental entities and are subject to special risks, including the risk that the relevant governmental entity will exercise sovereign rights and take actions contrary to the rights of a First Reserve Fund or the relevant portfolio company or project under the relevant agreement.

Terrorist Activities. The continued threat of terrorism and the impact of military or other action have led to and will likely lead to increased volatility in prices for electricity and

could affect the financial results of the First Reserve Funds. Further, the United States government has issued public warnings indicating that energy assets might be a specific target of terrorist organizations. The investments of the First Reserve Funds may involve significant strategic assets having a national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Any terrorist attacks that occur at or near such assets would likely cause significant harm to employees, property and, potentially, the surrounding community, and may result in losses far in excess of available insurance coverage. As a result of the terrorist attacks on September 11, 2001, insurers significantly reduced the amount of insurance coverage available for liability to persons other than employees for claims resulting from acts of terrorism, war or similar events. A terrorist attack on an energy-related asset that is not owned by a portfolio company may also have adverse consequences for all energy-related assets of that type or in the same vicinity, including those owned by a portfolio company, and may result in a portfolio company being forced to increase preventative security measures or expand its insurance coverage, adversely affecting the profitability of the investment therein.

Nature of Utility and Energy Infrastructure Assets Generally and Ongoing Changes. The First Reserve Funds from time to time make certain investments in electric utility industries and energy infrastructure assets both in the United States and abroad. In many regions, including the United States, the market dynamics of the industries change, primarily in wholesale markets, as a result of changing consumer demands, technological advances, greater availability of low cost natural gas and other factors. To the extent that First Reserve Funds invest in such businesses without PPAs or other risk management mechanisms, the economics of independent power generation projects into which the First Reserve Funds invest would likely come under pressure. Unanticipated changes in the availability or price of inputs necessary for the operation of a utility or a power generation asset would likely adversely affect the overall profitability of the investment.

Technical Risk. Investments in the energy industry are subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events which adversely affect operations. While the First Reserve Funds intend to seek investments in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations.

Weather and Climatological Risks. Certain energy companies are particularly sensitive to weather and climate conditions. For example, solar power generators rely on the frequency and intensity of sunlight, wind turbines upon the frequency and intensity of the wind, and companies focused on biomass rely on the production of crops, which can be adversely affected by droughts and other weather conditions.

Debt Investments. Certain of the First Reserve Funds focus on the acquisition of debt, mezzanine capital, preferred stock, convertible securities and other contractual rights related to energy-related infrastructure assets or businesses (each, a “Debt Fund”). Debt Funds involve certain additional

risks, including the following, which risks also apply to debt investments made by other First Reserve Funds.

Credit Risk. One of the fundamental risks associated with a Debt Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. A Debt Fund's return to its Limited Partners would be adversely impacted if an issuer of debt securities in which the Debt Fund invests becomes unable to make such payments when due. Even if a Debt Fund makes investments that its General Partner believes are secured by specific collateral the value of which initially exceeds the principal amount of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, a Debt Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of a Debt Fund. Moreover, a Debt Fund's investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Debt Fund may not have priority over other creditors as anticipated. Debt Funds also invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. Furthermore, a Debt Fund's right to payment and its security interest, if any, will be subordinated to the payment rights and security interests of the senior lender. Certain of these investments may have interest-only payment schedules, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a portfolio company's ability to repay the principal of an investment will be dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

Investments in Senior Loans. The assets of a Debt Fund may include first lien senior secured debt and selected second lien senior secured debt, which involves a higher degree of risk of a loss of capital. The loans invested in by a Debt Fund may include term loans and revolving loans that may pay interest at a fixed or floating rate. A Debt Fund can also be expected to acquire interests in senior secured loans by way of sale or assignment. The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. In addition, if a Debt Fund acquires loans pursuant to an assignment it is possible that the Debt Fund's claims becomes subject to attack (i.e., equitable subordination or disallowance) on account of the conduct of the transferor. Some of the senior secured loans acquired by a Debt Fund may be below investment grade. In terms of liquidity with respect to such investments, there can be no assurance that levels of supply and demand in senior secured loan trading will provide an adequate degree of liquidity for a Debt Fund's investments in senior secured loans.

The factors affecting an issuer's first and second lien leveraged loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company), or involve first liens only on specified assets of an issuer (e.g., excluding real estate). Issuers of first lien loans typically have two tranches of first lien debt outstanding each with first liens on separate collateral. Furthermore, the first and second liens generally only cover domestic assets and non-U.S. assets are not included (other than, for example, where a borrower pledges a portion of the stock of first-tier non-U.S. subsidiaries). In the event of Chapter 11 filing by an issuer, Title 11 of the United States Code, as amended (the "Bankruptcy Code") authorizes the issuer to use a creditor's collateral and to obtain additional credit by grant of a prior lien on its property, senior even to liens that were first in priority prior to the filing, as long as the issuer provides what the presiding bankruptcy judge considers to be "adequate protection," which typically consists of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of prior liens on a Debt Fund's collateral would adversely affect the priority of the liens and claims held by the Debt Fund and could adversely affect the Debt Fund's recovery on its leveraged loans.

Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow a Debt Fund to withstand certain assumed deficiencies in payments occasioned by the borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to the Debt Fund in respect to its investment.

Further, loans may become non-performing for a variety of reasons. Upon a bankruptcy filing by an issuer of debt, the Bankruptcy Code imposes an automatic stay on payments of its pre-petition debt. Non-performing debt obligations may require substantial workout negotiations, restructuring or bankruptcy filings that would likely entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. If an issuer were to file for Chapter 11 reorganization, the Bankruptcy Code authorizes the issuer to restructure the terms of repayment of a class of debt even if the class fails to accept the restructuring as long as the restructured terms are "fair and equitable" to the class and certain other conditions are met.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing the facilities typically requires either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the terms of a restructuring of a credit pursuant to a Chapter 11 plan of reorganization is done on a class basis. As a result of these voting regimes, a Debt Fund may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debts owed to the Debt Fund.

Senior secured loans are also subject to other risks, including (i) the possible invalidation of a debt or lien as a “fraudulent conveyance” under relevant creditors’ rights laws, (ii) the recovery as a “preference” of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors, (iv) so-called “lender liability” claims by the issuer of the obligations, (v) environmental liabilities that arise with respect to collateral securing the obligations, and (vi) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality. Decisions in bankruptcy cases have held that a secondary loan market assignee can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received and does not return a preference or fraudulent conveyance or engaged in conduct that would qualify for equitable subordination. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal bankruptcy, receivership or distressed exchange, can significantly diminish the value of the Debt Fund’s investment in any such company. Successful claims by third parties arising from these and other risks, absent bad faith, will be borne by a Debt Fund.

Investments in Subordinated Debt Securities. A Debt Fund’s investments in subordinated debt securities will be unsecured and rank behind the borrower’s senior indebtedness. While such subordinated debt investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments and may benefit from cross-default provisions and security over the portfolio company’s assets, some or all of such terms may not be part of particular investments. For example, under typical subordination terms, senior creditors are able to block the acceleration of the debt or the exercise by debt holders of other rights they have as creditors. In addition, the debt securities in which a Debt Fund will invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and are not expected to be rated by a credit rating agency. Further, upon any distribution to a borrower’s creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such borrower’s senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on a Debt Fund’s subordinated debt securities. In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to a borrower, a Debt Fund will participate with all other holders of such borrower’s indebtedness in the assets remaining after the borrower has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). A borrower may not have sufficient funds to pay all of its creditors and a Debt Fund may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such borrower or the holders of indebtedness that is not subordinated.

Investment in Mezzanine Investments. A Debt Fund may invest a majority of its capital in investments that are unsecured and made in companies whose capital structures have significant indebtedness ranking ahead of the investments, all or a significant portion of which may be secured. While the investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of the investments and may benefit from cross-default provisions and security over the portfolio company’s assets, some or all of such terms may not be part of particular investments.

Moreover, the ability of a Debt Fund to influence a portfolio company's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under typical subordination terms, senior creditors are able to block the acceleration of the mezzanine debt or the exercise by mezzanine debt holders of other rights they have as creditors. Accordingly, a Debt Fund may not be able to take steps to protect its investments in a timely manner or at all and there can be no assurance that the rate of return objectives on any particular investment will be achieved. In addition, the mezzanine securities in which a Debt Fund may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and are not expected to be rated by a credit rating agency.

Mezzanine investments generally are subject to various risks including, without limitation: (i) a subsequent characterization of an investment as a "fraudulent conveyance" under relevant creditors' rights laws possibly resulting in the avoidance of collateral securing the investment or the cancellation of the obligation representing the investment; (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called "lender liability" claims by the issuer of the obligations; and (v) environmental liabilities that arise with respect to collateral securing the obligations. In the United States, at least one bankruptcy case has held that a secondary loan market participant can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received and does not return a preference or fraudulent conveyance or engaged in conduct that would qualify for equitable subordination. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of a Debt Fund's investment in any such company.

A Debt Fund's investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Debt Fund earlier than expected. This may happen when there is a decline in interest rates. Early repayments of a Debt Fund's investments may have a material adverse effect on the Debt Fund's investment objectives and the internal rate of return on invested capital. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity securities may become worthless.

A Debt Fund may seek mezzanine investments in various geographic locations and obtain structural and contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect. Prospective investors should regard an investment in any Debt Fund as being speculative and having a high degree of risk. Certain investments of a Debt Fund may not have all of the characteristics targeted by such Debt Fund.

Investments in Participation Interests. A Debt Fund may have a participation or derivative interest in (as opposed to direct ownership of) payments and interest on an investment in mezzanine securities and any related collateral or an indirect interest (for example, through

a swap or other derivative instrument) in such a participation or derivative interest. In such cases, such Debt Fund will not have any direct rights against the issuers of the related notes, any direct rights or recourse in the collateral, if any, securing such notes, or any right to deal directly with any such issuers. The note holder typically retains the right to determine whether remedies provided for in the underlying indenture will be exercised, or waived, without any prior consultation with, or consent by, the applicable Debt Fund. In the event that a Debt Fund enters into such an indirect investment or derivative transaction, there can be no assurance that such Debt Fund's ability to realize upon a participation or derivative interest will not be interrupted or impaired in the event of the bankruptcy or insolvency of any of the borrower, the note holder or such Debt Fund's counterparty in such indirect investment or derivative transaction.

For additional information regarding the foregoing or the risks and conflicts with respect to any First Reserve Fund or investment vehicle sponsored by First Reserve, please see the Confidential Private Placement Memorandum, if applicable, or subscription documents of the applicable First Reserve Fund or investment vehicle.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. No material items exist at this time.

Item 10. Other Financial Industry Activities and Affiliations

First Reserve organizes and sponsors the First Reserve Funds, which are private investment companies. Each investment vehicle managed by First Reserve is controlled by a General Partner. Although a First Reserve Adviser provides advisory services to each First Reserve Fund, the applicable General Partner is responsible for all decisions regarding portfolio transactions of a First Reserve Fund and has full discretion over the management of such First Reserve Fund's investment activities. While the General Partners and First Reserve Advisers are not separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Advisers Act and the rules promulgated thereunder. In addition, employees and certain persons acting on behalf of the First Reserve Advisers and General Partners are subject to the supervision and control of First Reserve and its Code of Ethics (see Item 11 below) together with its other compliance policies and procedures as adopted pursuant to the requirements of the Advisers Act, as applicable (in addition to applicable local laws and regulations). Thus, the General Partners and First Reserve Advisers, all of First Reserve's employees and certain persons acting on their behalf would be considered "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the General Partners and First Reserve Advisers.

First Reserve has a foreign affiliated entity, First Reserve International Limited ("FRIL"), an English company limited by shares, located in London, United Kingdom and registered with and governed by the regulations of the Financial Conduct Authority of the United Kingdom. FRIL performs certain sub-advisory services pursuant to sub-advisory agreements executed with the applicable First Reserve Adviser, including due diligence of portfolio company targets. Due

diligence work performed is provided to the applicable First Reserve Fund's Investment Committee for review and investment determination. FRIL also meets with potential and current non-U.S. investors. FRIL does not make investment-related decisions.

Some of the First Reserve Funds' portfolio companies may include, among others, investment advisers, insurance companies, and investment-related limited partnerships and limited liability companies. Such portfolio companies are operated by management teams that are independent of First Reserve. First Reserve believes that such portfolio companies do not create a material conflict of interest with First Reserve's Clients. First Reserve agrees to provide a list of such portfolio companies upon request.

Please also see Item 4, Advisory Business, above regarding the role of First Reserve Advisers.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

First Reserve has adopted a written Code of Ethics (the "Code") that sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest, as required under Rule 204A-1 of the Advisers Act. Among other things, the Code requires First Reserve and its employees to act in a manner consistent with their fiduciary duty to their clients, abide by all applicable regulations, and pre-clear and report on many types of personal securities transactions. First Reserve also maintains policies and procedures to restrict affiliate transactions and avoid insider trading and the appearance of insider trading. First Reserve's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. Each General Partner and First Reserve Adviser, as well as their respective personnel, is subject to the Code and First Reserve's other policies and procedures.

Employees must report every account that they or members of their household use for trading securities covered by the policy and, if they directly or indirectly influence or control trading in the account, they must generally pre-clear covered securities transactions, including IPOs and private placements, and provide copies of periodic account statements, or have them sent by their broker, to First Reserve's compliance department. Trading by employees and members of their household is monitored by First Reserve's compliance department in a wide range of securities that appear on restricted lists and confidential watch lists, including securities that the First Reserve Funds have purchased or are considering purchasing.

A copy of First Reserve's Code is available upon request to: Chief Compliance Officer, First Reserve, One Lafayette Place, Greenwich, CT 06830.

Potential Conflicts of Interest

From time to time, the General Partners and their affiliates (including the First Reserve Advisers) encounter potential conflicts of interest with the First Reserve Funds. If any matter arises that a General Partner determines in its good faith judgment constitutes an actual conflict of interest, such General Partner may take such actions as it determines reasonably and acting in good faith may be necessary or appropriate to ameliorate the conflict. There can be no assurance that First Reserve will resolve all conflicts of interest in a manner that is favorable to the First Reserve Funds. The following discussion enumerates certain potential conflicts of interest, although the

discussion below does not necessarily describe all of the conflicts that may potentially be faced by a First Reserve Fund:

Principal Transactions

First Reserve, as investment adviser, or an affiliate may, to the extent not prohibited by a First Reserve Fund's governing documents, engage in principal transactions (i.e., transactions where First Reserve or an affiliate is deemed to be acting for its own account by buying a security from, or selling a security to, a client, including a First Reserve Fund). A potential conflict of interest could arise in that the interested First Reserve-related person could benefit from such a purchase or sale of the applicable security by a First Reserve client.

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and its clients, on the other hand. Generally, pursuant to the Advisers Act, if First Reserve (or an affiliate) purchases a security from or sells a security to, a client, First Reserve must disclose the terms of the transaction to the client and obtain the consent of the client prior to engaging in the principal transaction. First Reserve has established policies and procedures to comply with the Advisers Act when engaging in principal transactions with clients. Additionally, each First Reserve Fund's governing documents generally limit principal transactions on a more restrictive basis than the Advisers Act.

Affiliated Transactions

The governing documents of First Reserve Funds require that any transactions between a First Reserve Fund and First Reserve, its affiliates or a supervised person of First Reserve must be consummated on an arm's-length basis. Additionally, certain First Reserve Fund governing documents limit affiliated transactions on a more restrictive basis. Moreover, from time to time counterparties to transactions in which a First Reserve Fund participates (including lenders) may require such First Reserve Fund to guarantee, or otherwise be liable for, the obligations of other First Reserve Funds participating in such transactions.

Cross Transactions

Generally, First Reserve does not effect cross transactions between First Reserve Funds; however, such cross transactions may be effected in rare instances. In the event that First Reserve does effect cross transactions between First Reserve Funds, First Reserve will seek to ensure that such transactions and any related disclosures are made consistent with applicable laws and agreements and First Reserve's policies and procedures. In particular, First Reserve will seek to ensure that the transaction is: (i) in First Reserve's judgment, in the best interest of each First Reserve Fund involved; (ii) in compliance with the relevant First Reserve Fund governing documents, including any investment guidelines or restrictions for those First Reserve Funds; (iii) entered into only after obtaining any required Advisory Board or Limited Partner approvals of the transaction's terms and conditions; and (iv) effected at a price that is comparable to the price that could be obtained through an arm's length transaction with a third party and that is otherwise fair to both parties.

Portfolio Company Representation

From time to time, employees of First Reserve serve as directors and officers of certain portfolio companies and, in that capacity, are required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the First Reserve Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of the First Reserve Adviser and such individual's duties as a director or officer of such portfolio company.

Allocation of Investment Opportunities

In accordance with its fiduciary duty, First Reserve must allocate all investment opportunities to its clients on a fair and equitable basis and in accordance with all relevant guidelines and restrictions as outlined in the governing documents of each of the First Reserve Funds. If a particular investment opportunity falls within the investment objective of more than one First Reserve Fund or the Employee Hedge Fund, then First Reserve will allocate such opportunity (including, any related co-investment opportunities) among such entities on a basis that First Reserve reasonably determines in good faith to be fair and reasonable taking into account a number of considerations, including: the sourcing of the transaction, the nature of the investment focus of each First Reserve Fund, the relative amounts of capital available for investment, any diversification limitations and restrictions, portfolio diversification, target rates of return, expected hold periods, the possibility that other First Reserve Funds or the Employee Hedge Fund will invest in the same issuer or enter into a buy/sell transaction with such issuer and other considerations deemed relevant by First Reserve in good faith.

Each First Reserve Fund typically has a specified investment objective defined by certain parameters. From time to time investment opportunities are suitable for more than one First Reserve Fund and may be allocated among multiple First Reserve Funds in accordance with First Reserve's allocation policies, including an allocation to the Employee Hedge Fund. The investment committee of the relevant First Reserve Fund has the discretion to construct what, in their business judgment, constitutes an appropriate investment portfolio for that First Reserve Fund. As such, in determining what they believe to be an appropriate portfolio for a particular First Reserve Fund, they may give consideration to factors in addition to those outlined above. As a result, it may not be desirable for a First Reserve Fund to participate in an investment opportunity or acquire all of an available investment opportunity.

The governing agreements of certain First Reserve Funds prohibit the investment by such Funds in any issuer in which First Reserve or any of its affiliates holds a debt or equity interest. Accordingly, holdings in the securities or debt of an issuer by a First Reserve Fund or the Employee Hedge Fund would restrict such other First Reserve Funds from investing in, or entering into certain other transactions with, such issuer. In addition, in the process of acquiring or selling investments, First Reserve, on behalf of one First Reserve Fund, or the Employee Hedge Fund may have to enter into contractual agreements with counterparties that may limit or restrict the ability of other First Reserve Funds from transacting in securities and debt associated with those counterparties.

In addition to First Reserve's right to permit one or more strategic investors to invest in transactions in which a First Reserve Fund invests, existing and prospective investors should note that from time to time General Partners offer co-investment opportunities in their sole discretion, are not expected to offer co-investment with respect to all investments of the applicable First Reserve Fund and may allocate any future co-investment opportunities in their sole discretion, including for example, on the basis of the size or timing of investor commitments to such First Reserve Fund, vehicles and accounts. The allocation of co-investment opportunities may involve a benefit to First Reserve including, without limitation, fees or carried interest from the co-investment opportunity and capital commitments to other First Reserve Funds. From time to time, First Reserve has discretion with respect to the investment of co-investment capital.

Investments in Which Another First Reserve Fund Has a Different Principal Investment

A First Reserve Fund may make investments in portfolio companies in which another First Reserve Fund or a portfolio company thereof or the Employee Hedge Fund has made or is concurrently making a different principal investment (e.g., in different parts of the capital structure). In such situations, such First Reserve Funds, portfolio company and/or the Employee Hedge Fund will likely have conflicting interests (e.g., over the terms of their respective investments and with respect to the timing of dispositions).

Other Activities

Certain professionals of First Reserve responsible for one First Reserve Fund also manage the activities of other First Reserve Funds, which include involvement with existing portfolio companies, and participate in other activities of First Reserve, including additional investment funds (such as the Employee Hedge Fund) and, therefore, conflicts may arise in the allocation of management resources.

Other Fees

Should First Reserve form an affiliate that is a regulated broker-dealer, such affiliate may be entitled to receive certain offering, placement, syndication, underwriting, solicitation or similar fees in connection with the distribution of debt or equity securities of a portfolio company other than the securities being acquired by a First Reserve Fund. Limited Partners will receive the benefit of certain such fees as discussed in Item 5.

Valuation of Investments

There may be situations in which First Reserve is incentivized to influence or manipulate the valuation of investments. For example, First Reserve could be motivated to minimize losses from writedowns (i) that must be returned to Investors prior to an affiliate receiving carried interest or (ii) for purposes of increasing the management fee payable to the relevant First Reserve Advisor.

First Reserve investments are valued quarterly in accordance with ASC 820 (formerly, Statement of Financial Accounting Standards No. 157, Fair Value Measurements), which defines fair value, establishes a framework for measuring fair value, and requires enhanced disclosures about fair value measurements. Fair value is the amount that would be received to sell an asset, or paid to

transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., the exit price).

The objective is to estimate the exchange price at which hypothetical willing marketplace participants would agree to transact. Accordingly, while the cost (or “entry price”) associated with a non-marketable asset held by a First Reserve Fund may be a consideration when assessing the asset’s fair value, the purpose of the assessment is to determine a fair sale (or “exit”) price, which may be ‘cost’ until there is a material change that would deem it necessary to carry an asset at a price other than cost.

First Reserve’s policy is to ensure that all portfolio investments are recorded at fair value on a consistent, transparent and reasonable basis. First Reserve will determine the fair value of the First Reserve Fund’s investments in the manner provided in the organizational, governing and offering documents of the relevant First Reserve Fund. In addition, First Reserve may engage independent third parties to provide assessed market value of certain portfolio company holdings. All First Reserve Funds are audited annually.

Carried Interest; Distributions in Kind

As discussed in Item 5 above, the existence of the General Partners’ carried interest may create an incentive for the General Partners to make riskier or more speculative investments on behalf of the First Reserve Funds than would be the case in the absence of this arrangement, although First Reserve’s commitment of capital to the First Reserve Funds should somewhat reduce this incentive. If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property as determined by the General Partners in accordance with procedures set forth in the applicable governing documents of the First Reserve Fund. An independent appraisal generally will not be required. In certain limited circumstances, the amount of carried interest will be calculated based on the fair market value of in-kind distributions, even though a Limited Partner may have elected to receive a distribution of cash in lieu thereof.

Side Letters

The General Partners of the First Reserve Funds have in the past entered into, and are expected to enter in the future into, side letter or other similar agreements with specific Investors with respect to a First Reserve Fund establishing rights under, or supplementing or altering the terms of, the applicable governing documents of such First Reserve Fund with respect to such Investors, including with respect to economic terms, fee structures, excuse rights, information rights, co-investment rights (including the provision of priority allocation rights to investors admitted to a First Reserve Fund within a prescribed period following the initial closing thereof or making or holding aggregate commitments of a certain size to one or more First Reserve Funds) and liquidity or transfer rights. While First Reserve has no obligation to offer all such additional rights, terms or conditions to any other Investor in such First Reserve Fund, First Reserve generally makes such side letters available to all limited partners of the relevant First Reserve Fund.

Transactions with Investors

The General Partners and their affiliates from time to time engage in transactions with prospective and actual investors that entail business benefits to such investors. Such transactions may be entered into prior to or coincident with an investor's admission to the First Reserve Funds or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to the First Reserve Funds and their respective portfolio companies. Examples include the ability to co-invest alongside First Reserve Funds, the ability (subject to confidentiality, fiduciary, contractual and other considerations) to bid on the financing or disposition of portfolio companies of the First Reserve Funds, and recommendations to underwriters for allocations in initial public offerings and training programs.

Material, Non-Public Information

By reason of their responsibilities in connection with other activities of First Reserve, from time to time, certain employees of the First Reserve Advisers and their affiliates acquire confidential or material non-public information or are restricted from initiating transactions in certain securities. The First Reserve Funds will not be free to act upon any such information. Due to these restrictions, the First Reserve Funds from time to time will likely not be able to initiate a transaction that they otherwise might have initiated and from time to time will likely not be able to sell an investment that they otherwise might have sold.

Diverse Limited Partner Group

The Limited Partners (including First Reserve professionals) have conflicting investment, tax and other interests with respect to their investments in the First Reserve Funds. The conflicting interests of individual Limited Partners with respect to other Limited Partners may relate to or arise from, among other things, the nature of investments made by the First Reserve Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partners, the First Reserve Advisers or First Reserve, including with respect to the nature or structuring and managing of investments that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to any Limited Partner's individual tax situations. In addition, the First Reserve Funds may make investments that may have a negative impact on related investments made by the Limited Partners in separate transactions. In selecting, structuring and managing investments appropriate for a First Reserve Fund, the General Partner will generally consider the investment and tax objectives of the First Reserve Fund and its Limited Partners (and those Limited Partner in other First Reserve Funds) as a whole, and not the investment, tax or other objectives of any Limited Partner individually. Limited Partners should note that, to the extent members of the Advisory Board or Limited Partners in a First Reserve Fund vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action by those Limited Partners, any such Limited Partners in such First Reserve Fund may have an interest in other First Reserve Funds or other funds and, as a result, may not be motivated to vote solely in accordance with its interests related to such First Reserve Fund.

Allocation of Expenses

An allocation among the First Reserve Funds of expenses generated in the course of evaluating and making investments are required in certain situations, such as where more than one First Reserve Fund considers making a particular investment. For instance, this might include the expenses of common counsel and other professionals. Any such allocation will be made in good faith in accordance with the applicable First Reserve Fund governing documents by the First Reserve Advisers, considering all factors deemed relevant. Any expenses shared by more than one First Reserve Fund in connection with evaluating and making consummated portfolio investments of the First Reserve Funds or broken deals generally are allocated pro rata based on each First Reserve Fund's invested capital (or, in the case of broken deals, the amount that would have been invested by each First Reserve Fund), as determined by First Reserve although the General Partner typically structures co-investment participation such that its participants do not share in broken deal expenses. D&O liability insurance premiums borne by the First Reserve Funds will be allocated pro rata based on each First Reserve Fund's aggregate capital commitments. Any other expenses shared by more than one First Reserve Fund generally are allocated pro rata based on each First Reserve Fund's invested capital and unfunded capital commitments.

Service Providers

Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents), or their affiliates, to a First Reserve Fund or its portfolio companies also provide goods or services to or have business, personal, political, financial or other relationships with First Reserve. Such advisors and service providers may be investors in a First Reserve Fund, affiliates of First Reserve, sources of investment opportunities or co-investors or counterparties with them. These relationships may influence First Reserve in deciding whether to select or recommend such a service provider to perform services for a First Reserve Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by such First Reserve Fund or such portfolio company, as applicable). Notwithstanding the foregoing, investment transactions for a First Reserve Fund that require the use of a service provider will generally be allocated to service providers on the basis of First Reserve's judgment as to best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that First Reserve believes to be of benefit to the First Reserve Fund. In certain circumstances, advisors and service providers, or their affiliates, charge different rates or have different arrangements for services provided to First Reserve and its affiliates as compared to services provided to the First Reserve Funds and their portfolio companies, which results in more favorable rates or arrangements than those payable by the First Reserve Funds or such portfolio companies, although First Reserve typically shares the benefit of such favorable arrangements with the First Reserve Funds.

Please also see Item 5, Fees and Compensation, above regarding a description of Other Fees and Broker Dealer Fees that may be received by First Reserve and its affiliates.

No Independent Advice

The terms of the agreements and arrangements under which a First Reserve Fund is established and is operated have been or will be established by the General Partner and are not the result of arm's-length negotiations or representations of the Limited Partners by separate counsel. Limited Partners should therefore seek their own legal, tax and financial advice before making an investment in the First Reserve Funds.

Item 12. Brokerage Practices

Although First Reserve does not generally utilize the services of broker-dealers for the purposes of executing portfolio investments of the First Reserve Funds (other than in respect of the Debt Funds), in the event it chooses to use a broker-dealer to the limited extent First Reserve transacts in public securities or makes other non-private equity investments (e.g., currency hedging) First Reserve seeks to obtain best execution of transactions. "Best execution" means obtaining for a Fund the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), subject to the circumstances of the transaction and the quality and reliability of the executing broker or dealer.

In selecting brokers or dealers, First Reserve will consider various factors, including, without limitation: the reputation, experience and financial stability of the broker-dealer; the ability to maintain First Reserve's anonymity; the ability to provide competitive pricing; the size and timing of the transaction; the ability and willingness to commit capital and provide prompt and accurate execution and settlement; whether the broker-dealer makes a market in a security and/or finds sources of liquidity; the nature of the market for the security and the difficulty of execution; the broker-dealer's trading expertise, including its ability to minimize total trading costs and to trade without unduly impacting the market; the belief that the broker-dealer charges a fair and reasonable fee for each trade, and that the Funds have been treated fairly and honestly in prior trades; and the quality of execution, quality of the broker-dealer relationship, quality of service rendered by the broker-dealer in prior transactions, and quality of any proprietary research and investment ideas.

First Reserve has no formal arrangements with specific brokers or dealers to receive research or other services beyond transaction execution (so called "soft dollar" arrangements). However, First Reserve may receive research services from brokers and dealers available to other institutional investors. Research services received from brokers and dealers are generally supplemental to First Reserve's own research efforts. To the best of First Reserve's knowledge, these services are generally made available to institutional investors doing business with such broker-dealers. First Reserve does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services.

Item 13. Review of Accounts

Oversight and Monitoring

The portfolio investments of the First Reserve Funds are generally private, illiquid and long-term; accordingly, First Reserve's review of them is not directed toward a short-term decision to dispose of securities. However, First Reserve's Investment Staff continuously monitor the portfolio

investments of each First Reserve Fund and generally maintain an ongoing oversight position in such portfolio companies.

Periodically, First Reserve performs a bottom-up review of the portfolio of the First Reserve Funds, to monitor performance and gauge the market for timing an exit strategy.

Reporting

First Reserve furnishes Limited Partners in the First Reserve Funds with annual audited financial statements and K-1s, quarterly unaudited financial statements, and, except in the case of a First Reserve Fund with a single limited partner, quarterly descriptive investment information for each of the portfolio companies. In addition, First Reserve also provides Limited Partners with periodic portfolio update conference calls, newsletters, fund reports, performance reports, and summaries of the portfolio companies. It also provides detailed capital call and distribution statements. First Reserve also holds annual meetings with the Limited Partners (except in the case of a First Reserve Fund with a single Limited Partner).

Item 14. Client Referrals and Other Compensation

From time to time, First Reserve engages third party placement agents (i.e., solicitors) to introduce prospective investors to the First Reserve Funds. While they are from time to time initially paid by the First Reserve Funds, such expenses are not ultimately borne by the First Reserve Funds.

For details regarding economic benefits provided to First Reserve and its related persons by non-clients, please see Item 5, Fees and Compensation, above.

Item 15. Custody

First Reserve has access to client accounts because its affiliates serve as the General Partners of the First Reserve Funds. Limited Partners will not receive statements from any custodians. Instead, the First Reserve Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to each Limited Partner in accordance with the applicable First Reserve Fund's governing agreements.

Item 16. Investment Discretion

The First Reserve Funds' General Partners generally have discretionary authority to determine, without obtaining specific consent from the First Reserve Funds or their Limited Partners, the securities and the amounts to be bought or sold on behalf of the First Reserve Funds. Any limitations on authority are included in each First Reserve Fund's Confidential Private Placement Memorandum, where applicable, and its governing documents.

Item 17. Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, First Reserve has adopted and implemented written policies and procedures governing the voting of client securities.

The First Reserve Funds are primarily invested in privately-held portfolio companies which typically do not issue proxies. However, upon occasion, First Reserve will receive proxies in connection with its publicly traded portfolio companies, in which case it is First Reserve's policy to exercise the proxy vote in the best interest of the First Reserve Funds, taking into consideration all relevant factors, including acting in a manner that First Reserve believes will (i) maximize the economic benefits to the relevant First Reserve Fund and (ii) promote sound corporate governance by the issuer. On rare occasion, First Reserve may be required to exercise a vote for a privately-held portfolio company, in which case the same procedures shall apply.

First Reserve will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its First Reserve Funds on the other. However, as is typical with private equity investing, First Reserve seeks and accepts the election of a First Reserve representative to serve on the board of directors of a portfolio company on behalf of its First Reserve Funds and will typically, but not always, vote in favor of board recommendations. In situations where First Reserve is required to vote the proxy for a company in which employees of First Reserve serve on the board of directors, First Reserve has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the First Reserve Funds' investment in such portfolio company. Accordingly, while First Reserve is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that portfolio company, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

All conflicts of interest will be resolved in the best interests of First Reserve Funds. Conflicts of interest will be reviewed by First Reserve's Proxy Conflict Committee. In situations where the Proxy Conflict Committee perceives a material conflict of interest, First Reserve will: (i) disclose the conflict to the relevant First Reserve Fund's Advisory Board (or in the case of a First Reserve Fund with a single Limited Partner, such Limited Partner) and obtain the informed consent of such Advisory Board (or Limited Partner) as to the fact that a material conflict exists in voting the First Reserve Fund's proxy in the manner favored by First Reserve; (ii) defer to the voting recommendation of an independent third party provider of proxy services (e.g., such as Institutional Shareholder Services, an independent proxy voting advisory and research firm); or (iii) take such other action in good faith which would protect the interests of the First Reserve Fund.

A copy of First Reserve's proxy voting policies and procedures, as well as specific information about how First Reserve has voted in the past, is available to existing Investors upon written request to: Chief Compliance Officer, First Reserve, One Lafayette Place, Greenwich, CT 06830.

Item 18. Financial Information

First Reserve has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.