

## **Form ADV Part 2A**

### **Greenbriar Equity Group, L.P.**

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March 28, 2024

This brochure provides information about the qualifications and business practices of Greenbriar Equity Group, L.P. (“Greenbriar,” “us,” “we,” and “our”). If you have any questions about the contents of this brochure, please contact us at 203-302-2500 or at [info@greenbriarequity.com](mailto:info@greenbriarequity.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Greenbriar also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Greenbriar is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

## **Item 2. Material Changes**

This amendment to the brochure, dated March 28, 2024, contains the following material changes from Greenbriar's last update, which was submitted on March 30, 2023:

- Additional changes relating to Greenbriar's practices and related potential conflicts of interest under "Fees and Compensation", "Methods of Analysis, Investment Strategies and Risk of Loss" and "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading".

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## **Item 4. Advisory Business**

Greenbriar was formed as a Delaware limited liability company in 1999 by principal owners Joel S. Beckman, Gerald Greenwald and Reginald L. Jones, III, and converted to a Delaware limited partnership in 2018. As of March 31, 2023, Reginald L. Jones, III, Jill Raker and Noah Roy are Greenbriar's Managing Partners ("Managing Partners") for Greenbriar Equity Fund III, L.P. ("Fund III"), Greenbriar Equity Fund III-A, L.P., Greenbriar Equity Fund IV, L.P. ("Fund IV"), Greenbriar Equity Fund IV-A, L.P. ("Fund IV-A"), Greenbriar Equity Fund V, L.P. ("Fund V") and Greenbriar Equity Fund VI, L.P. ("Fund VI") and Niall McComiskey and Michael Weiss are additionally Managing Partners for Fund V and Fund VI. Greenbriar SLP IV, L.P. serves as the management company of Fund IV and Fund IV-A and is registered with the SEC under the Advisers Act pursuant to Greenbriar Equity Group, L.P.'s registration. Greenbriar SLP V, L.P. serves as the management company of Fund V and is registered with the SEC under the Advisers Act pursuant to Greenbriar Equity Group, L.P.'s registration. Greenbriar SLP IV, L.P. and Greenbriar SLP V, L.P. are registered with the SEC under the Advisers Act pursuant to Greenbriar's registration and are principally owned by the Managing Partners. Unless the context otherwise requires, references to Greenbriar herein include Greenbriar SLP IV, L.P. and Greenbriar SLP V, L.P.

We provide discretionary investment advice solely to private equity funds that seek to participate in private equity investments in companies primarily in market leading services and manufacturing businesses with proven management teams capitalizing on strong long-term growth prospects that can benefit from Greenbriar's deep sectoral expertise and strategic insight alongside its operating capabilities and network of senior executive relationships. The private equity funds are referred to in this brochure as the "Funds," each a "Fund," or our "Clients." Investors in the Funds are referred to in this brochure as "investors" or "limited partners."

The investment management services that we provide to our Clients primarily consist of selecting, investigating, structuring and negotiating private equity investments and dispositions, monitoring the performance of these investments and performing certain administrative services. These services are provided pursuant to investment management agreements with the Funds and as a result of a delegation of authority by the general partner of each Fund (each a "General Partner" and collectively, together with any future affiliated general partner entities, the "General Partners"). We provide advice to each Client that takes into account its investment objectives and the investment restrictions contained in its limited partnership agreement, investment management agreements and other governing documents (collectively, the "Governing Documents"). A Fund generally enter into letter agreements or other similar agreements ("Side Letters") with one or more investors which provide such investors with additional or different rights than such investors otherwise have pursuant to such Fund's Governing Documents.

Additionally, as permitted by the relevant Fund's limited partnership agreement, Greenbriar expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including, but not limited to, other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Greenbriar personnel and/or certain other persons associated with Greenbriar

and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Greenbriar's sole discretion, Greenbriar reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

### ***Wrap Fee Programs***

We do not participate in wrap fee programs.

### ***Assets Under Management***

As of December 31, 2023, we manage \$8,632,065,097 of Client assets on a discretionary basis. This includes both invested capital and the committed capital that may be called by the Funds from their respective limited partners. We do not manage Client assets on a non-discretionary basis.

## **Item 5. Fees and Compensation**

### ***Management Fees***

Our Clients generally pay us annual management fees in exchange for our investment management services. The management fees that our Clients pay us are provided for in their Governing Documents that they enter into with us. The management fees for an annual period are payable semiannually partially in arrears and partially in advance. The amount of management fees payable by a Client during its investment period (*i.e.*, period of time during which we may draw upon the limited partners' capital commitments to make new investments) is based on a percentage of the Client's aggregate capital commitments. The amount of management fees payable by a Client following its investment period is reduced based on a formula set forth in the applicable Client's Governing Documents. The specific management fees payable by a Client are negotiated at the time of its formation and are described in the applicable Fund's Governing Documents. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors.

As is generally the case in private equity funds, the Governing Documents provide that a Fund's management fees will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (the "Stepdown Date"), management fees generally will be charged based on a formula tied to the amount of the relevant Fund's aggregate commitments. Further, after the Stepdown Date, management fees generally will be

charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to the Fund's investment(s) that have not been realized or written down to zero, excluding those investments where Greenbriar is affirmatively attempting to salvage value with respect to the applicable investment (such written down investments, "Impaired Value Investments").

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date management fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions.

As a result, and as is generally the case for private equity funds, the amount of management fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and will not be reduced in connection with any write downs, except in the case of Impaired Value Investments. Except where the Governing Documents expressly provide to the contrary, management fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments.

In many circumstances, the post-Stepdown Date management fee base will include capitalized transaction-specific expenses of unrealized investments. Further, management fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs or write-offs that occur partway through the relevant calculation period.

The Governing Documents set forth the full list of terms under which management fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified management fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

Principals and other current or former personnel of Greenbriar generally receive salaries and other compensation derived from, and in certain cases including a portion of, management fees, carried interest or other compensation received by Greenbriar or its affiliates.

### ***Other Fees***

We also receive management, directors', consulting and other similar fees and financing or other transaction fees in connection with the activities of the Funds ("Other Fees") as described in each Fund's Governing Documents. In addition, we are reimbursed by the Funds' portfolio companies for expenses we incur in connection with our performance of the services that give rise to Other Fees. Finally, we receive fees or other forms of compensation payable by a third party as a result of the failure to consummate a proposed investment by a Fund ("Break-Up Fees"). Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, Break-Up Fees generally are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

In general, the aggregate management fee that a Client pays us is reduced by a portion of any Other Fees or Break-Up Fees received by us in connection with the activities of the Fund. If the management

fee payable by a Fund is reduced to zero as a result of our receipt of Other Fees or Break-Up Fees (or because the management fee is no longer payable) and all carryforwards, we will carry forward the excess for the benefit of such Fund's limited partners in future periods. If any such excess remains upon liquidation of a Fund, a distribution will be made crediting the Fund's partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence may result).

As a matter of practice, Greenbriar is typically paid Other Fees or Break-Up Fees from, on behalf of or with respect to co-investors or other investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the management fees payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to the relevant allocable portion of any such fee and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; or (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by Greenbriar, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested and/or others), which have the potential to be significant. Fee offsets from Other Fees or Break-Up Fees generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services, and to the extent Other Fees or Break-Up Fees are paid in kind (including through securities, option grants or other interests), Greenbriar is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Unless otherwise agreed with investors, Other Fees and Break-Up Fees generally will be payable without further offset during term extensions, even if management fees are reduced or eliminated during the extended term, thus reducing the amounts of management fees actually offset. Other Fees or Break-Up Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Other Fees or Break-Up Fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent a former Greenbriar employee becomes a consultant to, or employed by, a portfolio company (*e.g.*, which may include members of the Operating Network, as further defined below), no compensation earned by such former employee will offset the management fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. Conversely, in the event that Greenbriar employs a person that previously received compensation from a portfolio company, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with Greenbriar, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. In certain circumstances, Greenbriar expects that co-investors or other parties will, negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the applicable operating documents of each Fund, it is Greenbriar's practice to use or retain certain operating partners ("Operating Partners"), senior advisors ("Senior Advisors"), operating executives ("Operating Executives") and an executive council ("Executive Council" and together with the Operating Partners, Senior Advisors and Operating Executives the "Operating Network") to support Greenbriar to source investments, in due diligence and to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest.

Senior Advisors, Operating Executives and Executive Council members generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will result in additional offsets to the management fees. For the avoidance of doubt, Greenbriar also will not offset compensation received from outside sources by Senior Advisors, Operating Executives and Executive Council members, such as residual employee board seats at entities that are no longer Fund portfolio companies. Each of the foregoing conditions is expected to reduce the amount of Other Fees or Break-Up Fees otherwise available to be offset against management fees, resulting in a material benefit to Greenbriar over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for Greenbriar to seek to increase such amounts. Please reference each Fund's Governing Documents for specific information about the reduction of management fees as a result of transaction or Other Fees earned by Greenbriar, and the fees charged to each Fund.

The General Partner reserves the right to agree with certain members of the Operating Network, service providers, portfolio company management or other parties that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more portfolio companies will be paid in the form of a profits, participation or equity interest granted in the relevant portfolio companies or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant portfolio company any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains greater than the original amount of compensation, which in either case could be substantial.

Certain Funds' limited partnership agreements permit Greenbriar to waive or agree to reduce management fees for certain investors, such as "friends and family" of Greenbriar or its personnel. Certain waived portions of management fees are treated by the applicable Fund limited partnership agreement as a deemed capital contribution by the relevant Fund's General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The limited partners of such Fund would, in such circumstances, be required to make a pro rata contribution according to their respective capital commitments to fund any contribution that would otherwise be required of Greenbriar in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced management fees are not subject to the management fee offsets described above, and the amount of such waived or reduced management fees has the potential to be significant. Due to waived or reduced management fees by Greenbriar and/or timing of receipt of compensation subject to offsets (as described above), it is possible that management fee offsets will not be fully realized by investors in a Fund, resulting in a net additional benefit to Greenbriar.

We deduct management fees from the account of each Client.

If we cease to serve as the investment manager of a Client during a semi-annual period, the management fee payable by that Client for such semi-annual period will be pro-rated based on the number of days



during such semi-annual period that we served as investment manager and we will refund any excess.

In addition to management fees and carried interest payable to Greenbriar, each Fund bears certain expenses. As set forth more fully in the Governing Documents a Fund bears all fees, costs, expenses, liabilities and obligations relating to a Fund and/or their subsidiaries' activities, business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations (collectively and as referred to in this definition, "costs") relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, pursuing, diligencing, origination, identification, sourcing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence, software and service providers, the Operating Executives, consultants and similar professionals, appointing, engaging, retaining and/or replacing directors or similar service providers for legal, regulatory, tax or other similar purposes, respectively, in connection with a Fund, any portfolio company or prospective portfolio company in connection therewith, any costs related to transactions that may have been offered to co-investors and any costs associated with attending industry-related conferences or events), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, a Fund or Greenbriar, a General Partner or any "affiliated partner" on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee, including costs and expenses of any lenders, investment banks and other financing sources, including interest on money borrowed by a Fund or by Greenbriar, a General Partner or any affiliated partner on behalf of a Fund; (iii) financing, commitment, origination and similar activities; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker, finder and similar services; (v) buy and sell-side brokerage, sale, custodial, depository and local paying agent (including any depository appointed pursuant to AIFMD), Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof, trustee, record keeping, account, record keeping, registered office and similar services; (vi) costs associated with the reporting, filings or other ongoing compliance requirements contemplated by the AIFMD or any similar law, rule or regulation (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (vii) legal, accounting, financial, reporting, research, auditing, administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services as well as costs related to the establishment or maintenance of such other services), consulting (including any consulting and retainer fees, salary and other compensation paid and benefits provided to members of the Operating

Network, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other similar consultants), tax and other professional services; (viii) reverse breakup, termination and other similar arrangements; (ix) insurance (including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance costs, including any costs related to any retention or deductibles and broker fees, costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance policies; (x) filing, title, transfer, survey, registration and other similar activities; (xi) printing, communications, mailing, courier, marketing and publicity; (xii) the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K 1s or similar forms or other communications with limited partners, any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis Reports) or other information, including costs of any third-party service providers and professionals related to the foregoing; compliance with any tax or financial account reporting regime, including FATCA, the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management, cybersecurity, software as a service, cloud-based applications or similar services), custom relationship products or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund or the limited partners; (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs incurred in connection with the EU Data Protection Law or FOIA); (xv) costs and expenses of the advisory committee, and to the extent approved by a General Partner in their sole discretion, activities or proceedings of the advisory committee (including any reasonable out-of-pocket costs incurred by representatives of a General Partner, the advisory committee members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory committee); (xvi) indemnification (including legal and any other costs incurred in connection with indemnifying any limited partner or other person and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification), except as otherwise set forth in the relevant limited partnership agreement; (xvii) actual, threatened or otherwise anticipated litigation, investigatory inquiry, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; and (xviii) any annual meeting or other special or periodic, if any, meetings of the limited partners and any other conference, meeting or webcast or other video conference with any limited partner(s) (in each case, including any set-up, room and board, dining and other meeting or conference related costs and the costs of attendance thereof by the Operating Network), in each case to the extent incurred by a Fund, a General Partner or any other affiliate of a General Partner.

Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which

generally are expected to be significant. In certain cases, these or similar expenses (and/or Other Fees or Break-Up Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Each Fund also generally will bear the costs of implementing, reporting (as applicable) monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

In some cases, expenses might be attributable to more than one Fund or to Greenbriar and one or more Funds. In such cases, although Greenbriar will apply an expense allocation methodology that is believed to be fair to all affected Funds, Greenbriar will potentially be subject to a conflict of interest when determining and applying an allocation methodology.

Additionally, as part of its strategy, Greenbriar has entered and will enter into certain strategic relationships with members of Greenbriar's Operating Network to provide certain services in connection with sourcing investments, due diligence, providing operating services to portfolio companies or serving on the boards of such companies. These persons are entitled to receive cash and/or non-cash (e.g., equity) consideration for their services from the applicable portfolio companies, which consideration, for the avoidance of doubt, is not Other Fees. Some of these persons are also expected to be paid a retainer fee by Greenbriar. Greenbriar created an Executive Council to serve as a forum for accomplished CEOs of global transport companies to provide Greenbriar with additional perspective and relationships. The Executive Council is compensated by portfolio companies to the extent they are providing such direct services as described above.

The General Partner reserves the right to make exemptions from fees and/or carried interest by a direct exemption, a rebate by Greenbriar and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a Greenbriar professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the management fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain General Partners have the right to permit investors, affiliated with the General Partner or otherwise, to invest through the relevant General Partner or other vehicles that do not bear management fees or carried interest. In general, the management fee offsets described above apply only with respect to the capital commitments of fee-paying investors. Greenbriar retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for management fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or investors (including without limitation legal expenses for a transaction in which all such Funds and/or investors participate, or other fees or expenses in connection with services the benefit of which

are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds and, in the same case, investors, for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for the costs of establishing, negotiating or maintaining the facility. While Greenbriar believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Greenbriar, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Greenbriar's related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, to the extent that any potential co-investors have not been identified as of the time such potential investment ceased to be pursued, all broken deal expenses and other expenses relating to the evaluation of such proposed transaction will be borne by investors within a Fund(s), and not by any potential co-investors (see *Conflicts of Interest* in Item 11 for more information). To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

The General Partner of each Fund (in each case our affiliate) is generally entitled to a "carried interest" on such Fund's profits in accordance with the provisions of such Fund's limited partnership agreement. The "carried interest" is generally equal to a percentage of the investment proceeds distributable by a Fund in excess of the capital invested by such Fund's limited partners, and is subject to a preferred return. The General Partner of each Fund is also subject to a "clawback" of "carried interest" previously received to the extent that it has received cumulative distributions in excess of amounts otherwise distributable to the General Partner by such Fund as "carried interest," applied on an aggregate basis covering all transactions of the applicable Fund. In no event will the General Partner of a Fund be required to restore more than the cumulative distributions received by such General Partner as "carried interest" determined on an after-tax basis. The "carried interest" received by the General Partner of a Fund is negotiated at the time such Fund is formed. Additionally, to the extent that Greenbriar personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

Greenbriar seeks to address the potential for conflicts of interest in these matters with allocation policies and/or practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Funds' investment guidelines and governing agreements, as well

as other factors that do not include the amount of performance-based compensation received by Greenbriar or any personnel.

The existence of the General Partner's carried interest has the potential to create an incentive for us to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than we might otherwise make in the absence of such performance-based arrangement. In addition, compensation in the form of carried interest may incentivize the General Partner to make different decisions regarding the timing and manner of the realization of its Funds' portfolio investments than would be the case if such carried interest were not part of its overall compensation structure. As discussed in **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**, Greenbriar undergoes a thorough review of each potential investment. Additionally, certain affiliates of the General Partner and certain principals and personnel will typically invest in the Funds and in co-investment vehicles indirectly which is intended to align the interests of Greenbriar and those of the Funds.

## **Item 7. Types of Clients**

We provide discretionary management and advisory services to the Funds directly, subject to the direction and control of the General Partner or managing member of each Fund, and not individually to the investors in each Fund. Investors in the Funds include, but are not limited to pension plans, insurance companies, foundations, funds of funds and endowments.

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

### **Investment Strategies and Methods of Analysis**

We primarily participate in private equity and equity-related investment opportunities in business services, distribution, logistics, transportation and vehicle aftermarket companies which provide critical technology, services and support across the consumer and industrial economies, as well as advanced manufacturing companies which are focused primarily on aerospace & defense, industrial, rail, vehicle and other specialty industrial markets. Our typical investment structure could involve a leveraged buyout, a recapitalization or a purchase of a minority equity stake, among others.

Our investment process begins with targeting companies within our industry sectors which we believe should have attractive growth potential due to, among other factors, industry structure, industry trends, market position, competitive advantage and the quality of management. In evaluating investment opportunities, our investment professionals generally engage in a due diligence process of the target company, including reviewing its business model, operations, markets, management, history and prospects and becoming closely acquainted with management and their goals, objectives and capabilities. In certain instances, we augment our due diligence with outside resources, including industry executives, consultants, lawyers, accountants, insurance and human resource experts.

## **Risk Factors**

Private equity investing involves significant risks that a Fund and its investors should be prepared to bear. Also, investing in the Funds involves significant risks relating both to the types of investments contemplated and our ability to achieve the investment objectives. The discussion below of risks associated with private equity investments does not purport to be an exhaustive list of all risks associated with an investment in our Funds. Please refer to the applicable offering memorandum of our Funds for a more detailed discussion of risks.

***Business Risks.*** A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

***Risk of Loss of Capital.*** Investing in securities involves the risk of loss of capital. Investors that cannot bear the loss of their entire investment in a Fund should not make such an investment. While we believe that our investment processes, strategy and research techniques mitigate the investment risk through a careful selection of investment opportunities, no guarantee or representation is made that we will achieve a Fund's investment objectives or that we will be successful.

***Nature of Investments.*** While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Investments by a Fund may be highly leveraged and therefore may be more sensitive to adverse business, financial and capital market developments or economic factors. If for any of these reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of the respective Fund's investment could be significantly reduced or even eliminated.

***Uncertain Economic, Social and Political Environment.*** Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

***Impact of Government Regulation, Reimbursement and Reform.*** Certain industry segments in which a Fund may invest, including various segments of aerospace, defense, industrial, rail and vehicle manufacturing, are (or may become) (i) highly regulated at both the federal and state levels in the United

States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including, in particular, aerospace, defense, industrial, rail and vehicle manufacturing industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Greenbriar and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Greenbriar and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant times and resources are expected to be required to comply with the new regulations, which potentially will detract from time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

***Public Health Emergencies; COVID-19.*** Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The ultimate impact of any such health emergency—and the resulting precipitous decline in economic and commercial activity across several of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds’ and their respective portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy a Fund intends to pursue, all of which could adversely affect a Fund’s ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their respective portfolio

companies and Greenbriar may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

***Illiquid and Long-Term Investments.*** Although portfolio investments may generate current income, the return of capital and the realization of gains, if any, from a portfolio investment generally will most likely occur only upon the partial or complete disposition of such portfolio investment. While a portfolio investment may be sold at any time, it is generally expected that the disposition of most of the respective Fund's portfolio investments will not occur for a number of years after such portfolio investments are made. It is unlikely that there will be a public market for the securities held by a Fund at the time of acquisition. The respective Fund generally will not be able to sell its securities publicly unless the sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases, the respective Fund may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so.

In addition, there is no public market for the interests of any Fund and one is not expected to develop. An investor in a Fund will not be permitted to assign or transfer its interests in such Fund without prior written consent of the General Partner of such Fund, which may be given or withheld in its sole discretion. Except in extremely limited circumstances, voluntary withdrawals from a Fund will not be permitted. Investors must be prepared to bear the risks of owning interests in a Fund and contributing capital for an extended period of time.

***Leveraged Investments.*** A Fund is permitted to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by, among other things, regulatory restrictions, and guidelines), which state is difficult to accurately forecast, and at times it will be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a portfolio company, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a portfolio company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow



to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such portfolio company in an insolvency event or proceeding. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company and may realize lower returns from such portfolio company on an IRR and/or multiple basis, which would adversely affect such Fund's ability to generate attractive returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose a Fund to potential claims by sellers of businesses which such Fund may have been contracted to purchase. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may exceed, or otherwise may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Greenbriar or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may, in certain or all such situations, have a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when a Fund were to see to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts would, in certain or all such situations, be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

To the extent a Fund provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of the Fund. As a result, the relevant Fund's portfolio could become more concentrated with respect to such

investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which in the future could exclude bridge financing investments.

***Subscription Lines.*** A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the relevant Fund's operating documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because management fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's management fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-

investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments and/or financial or other covenants that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. The relevant General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the relevant General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The relevant General Partner is authorized to use Fund-level borrowing to pay management fees and to reimburse Greenbriar for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when the relevant General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any

limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

***Investment- and Intermediate Entity-Level Borrowing.*** Under the Governing Documents, each Fund may seek to incur indebtedness that is secured by any assets of the relevant Fund (e.g., asset-based borrowing, as well as “back leverage” and net asset value (NAV) facilities), and may seek to directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extension of credit). Where required by the Governing Documents or determined by Greenbriar in its discretion, Greenbriar consults and receives consent to incurring such indebtedness from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles. Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of management fees; make, hold, or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the limited partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

***Restricted Nature of Investment Positions.*** Generally, there will be no readily available market for a substantial number of each Fund's investments and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to Greenbriar with respect to such investment.

***Projections.*** Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Greenbriar in its discretion. In all cases, projections are only estimates of future

results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

***Need for Follow-On Investments.*** Following its initial investment in a given portfolio company, Greenbriar is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make add on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made), result in a lost opportunity for such Fund to increase its participation in a successful operation or the dilution of the relevant Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest.

***Investment in Junior Securities.*** The securities in which a Fund will invest may be among the most junior in a portfolio company's capital structure, and thus subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

***Public Company Holdings.*** A Fund's investment portfolio may contain debt and/or equity securities issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including Greenbriar's principals, and increased costs associated with each of the aforementioned risks.

***Limited Access to Information.*** Limited partners' rights to information regarding a Fund, the relevant General Partner or Greenbriar generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Greenbriar's control. Decisions by Greenbriar or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Greenbriar and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory committee generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of

responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Greenbriar reserves the right to withhold certain information from investors subject to such laws for reasons relating to Greenbriar's public reputation, business strategy or other reasons.

***Material, Non-Public Information; Other Regulatory Restrictions.*** As a result of the operations of Greenbriar and its affiliates, as well as in connection with officerships or directorships of Greenbriar personnel, Greenbriar frequently comes into possession of confidential or material, non-public information. Greenbriar and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Greenbriar's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Greenbriar or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Greenbriar's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Greenbriar or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

***Hedging Arrangements; Related Regulations.*** A General Partner is authorized (but not obligated) to endeavor to manage the relevant Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund is permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on

an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

***Unfunded Pension Liabilities of Portfolio Companies.*** Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although Greenbriar intends to manage each Fund's investments to minimize any such exposure, a Fund is permitted to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund owns an 80% or greater interest in such portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this brochure, which may change in the future as the case law and guidance develops.

***Highly Competitive Market for Investment Opportunities.*** The activity of identifying, completing and realizing on portfolio investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that a Fund will be able to identify and complete portfolio investments that satisfy its investment objective, or realize the value of such portfolio investments, or that they will be able to invest fully their commitments. Nevertheless, our Clients will be required to pay our management fees based on aggregate commitments during a Fund's investment period and other expenses as set forth in the Governing Documents.

***Portfolio Company Management Risks.*** 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. Although we expect to monitor each portfolio company's management team, each portfolio company's management team will have day-to-day responsibility for the business of such portfolio company.

***Concentration of Investments.*** Each Fund will participate in a limited number of portfolio investments and, as a consequence, the aggregate return of each Fund may be affected by the performance of a single portfolio investment.

***Dynamic Investment Strategy.*** While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner is permitted to pursue investments outside of the industries and sectors in which Greenbriar has previously made investments or has internal operational experience.

***Limited Industry Concentration.*** Fund investments will be generally concentrated in supply chain, business services and advanced manufacturing companies, and as a consequence, the Funds will be less diversified for industry risk than other funds with a more diversified strategy. As a result of the Funds' sector focus, there could be a disproportionate effect on our Fund's performance due to certain factors impacting these sectors relative to a more broadly focused fund.

***Disposition of Private Investments.*** Fund investments will generally involve securities for which there is no liquid market. In connection with the sale or other disposition of such securities, a Fund may be required to make representations about the business and financial affairs of the investment, typical of those made in connection with the sale of a business. A Fund may be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. Accordingly, a Fund that disposed of an investment, whether or not for a profit at the time of sale, may have a contingent liability that must be satisfied by the limited partners of such Fund, to the extent of distributions made to them.

***Control Position.*** The Funds will generally seek investment opportunities that allow the Funds to have significant influence on the management, operations and strategic direction of the portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of a Fund to claims by a portfolio company's security holders and creditors. While we intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

***Lack of Unilateral Control.*** Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, is subject to terms and conditions imposed by portfolio company lenders, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no



assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.

**Board Participation.** The Funds will typically be represented on the boards of directors of certain of their portfolio investments. Although such positions may be important to our investment strategy and may enhance our ability to manage the investment, they may also impair our ability to sell the investment when, and upon the terms, we may otherwise want. It may also subject us and our Funds to claims we would not otherwise be subject to, including claims of breach of duty of loyalty, securities claims and other director-related claims.

**Non-U.S. Investments.** Our Funds are permitted to invest, subject to any limitations set forth in the Governing Documents, in portfolio companies that are organized, headquartered and/or have substantial sales or operations outside of the United States. Foreign securities involve risks not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters;

(ii) differences between the U.S. and foreign securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iv) certain economic and political risks; (v) obtaining foreign governmental approvals and complying with foreign laws; and (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. Furthermore, the legal systems in these countries may offer no effective means for a Fund to seek to enforce its rights or otherwise seek legal redress.

**Side Letters.** As a result of a Fund's Side Letters, certain investors may receive additional rights (e.g., expanded informational rights or preferential economic terms) that other investors will not receive. The General Partner of the applicable Fund may not be required to notify all investors of such Fund of any such Side Letters or any of the rights or terms or provisions thereof, and may not be required to offer such additional or different rights or terms to all investors. Any rights or terms so established in a Side Letter with an investor will govern solely with respect to such investor and will not require the approval of any other investor. Side Letters subject Greenbriar to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors.

**Cybersecurity Risks.** Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the retail industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Greenbriar, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant

interruptions in Greenbriar's, the General Partners', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Greenbriar or one of its service providers holding its financial or investor data, Greenbriar, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under Greenbriar's policies and practices.

***Privacy and Data Protection Law Compliance Risk.*** The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations ("Privacy Laws") in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Greenbriar, the General Partner, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Greenbriar, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Greenbriar, the General Partner, the Funds and/or their portfolio companies.

***Environmental, Social and Governance ("ESG") Matters.*** Greenbriar maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and Greenbriar expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the

role of ESG factors in the investment process). There is no guarantee that the criteria utilized by Greenbriar, or any judgment exercised by Greenbriar, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. There are also significant differences in interpretations of what ESG characteristics mean by region, industry and topic, as well as the interpretations of their scope and materiality. Greenbriar's interpretations and decisions may differ from others' views and could also evolve over time. In addition, in evaluating an investment, Greenbriar expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Greenbriar to incorrectly assess a company's ESG practices and/or related risks and opportunities. Greenbriar does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on Greenbriar's view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG policies. For avoidance of doubt, however, Greenbriar does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Greenbriar's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Greenbriar's ESG policies could become subject to additional regulation in the future, and Greenbriar cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

***Weather and Climate Risk.*** Global climate change is widely considered to be a significant threat to the global economy. Certain Funds' investment may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Additionally, the Paris Agreement and other initiatives by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose a Fund's investments to so-called "transition risks" in addition to physical risks, such as: (i) political and policy risks (e.g., changing regulatory incentives and legal requirements, including with respect to greenhouse gas emissions, that could result in increased costs or changes in business operations); (ii) regulatory and litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to climate impacts); (iii) technology and market risks (e.g., declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions); and (iv) reputational risks (e.g., risks tied to changing customer or community perceptions of an asset's relative contribution to greenhouse gas emissions). A General Partner cannot rule out the possibility that

climate risks, including changes in weather and climate patterns, could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on an investment or the Funds.

***Sanctioned Investors.*** If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of a Fund with applicable laws, including without limitation a “freeze” on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on a Fund’s activities, could materially and adversely affect the Funds.

***CFIUS and National Security Clearance Considerations.*** Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“CFIUS”), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund’s performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners’ ability to invest in U.S. businesses (or to exercise voting or advisory committee rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow the Funds to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

***United Kingdom (“UK”) Exit from the European Union (the “EU”).*** The UK formally left the EU on January 31, 2020 (“Brexit”). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK’s future relationship with the EU were agreed in a trade and cooperation agreement the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to

recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses, including Greenbriar and Fund portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

***Differing Insurance Liability Standards.*** Although the Governing Documents generally contain broad exculpation and indemnification provisions, Greenbriar will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by Greenbriar are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents regardless of whether the liability and/or indemnity standards in Greenbriar's insurance coverage are higher or lower than that set forth in the Governing Documents.

***International Conflicts.*** Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or

alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

***U.S. Taxation of Carried Interest.*** U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or Greenbriar who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Greenbriar to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

***Changes to Benchmark Rates.*** To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate ("SOFR") or rates (each, a "Benchmark Rate"), a Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

***Secondaries and other General Partner-Led ("GP-Led") Transactions.*** There continues to be a significant market for secondary sales, GP-Led transactions, continuation funds, successor fund investments and other transactions. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by Greenbriar following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Greenbriar believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including

a portfolio that combines assets from multiple Funds sponsored by Greenbriar and its affiliates). However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio companies, and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Greenbriar or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Greenbriar or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Greenbriar, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Greenbriar reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Greenbriar will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Greenbriar reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

***Social Media and Publicity Risk.*** The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Greenbriar, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

***Inflation.*** High rates of inflation and rapid increases in the rate of inflation are expected to have a significant impact (often a negative or adverse impact) on financial markets and the broader economy. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise

intervene in a country's economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, often have corresponding impacts (often negative) on the level of economic activity and also potentially result in market or financial sector uncertainty as a result of unintended consequences. Certain countries, including the U.S., have recently seen increased levels of inflation, and persistently high levels of inflation could have a material and adverse impact on the Fund's investments and aggregate returns. For example, if a company were unable to increase its revenue while business expenses were increasing, the company's profitability would likely suffer. Likewise, to the extent a company has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, the company could increase revenue by less than its expenses increase. Conversely, as inflation declines, a company may see its competitors' costs stabilize sooner or more rapidly than its own.

Moreover, as inflation increases, the real value of the interests in the Funds and distributions therefrom can decline. If a Fund is unable to increase the revenue and profits of its investments at times of higher inflation, it may be unable to pay out higher distributions to the partners to compensate for the decrease in value of the money, thereby affecting the expected return of limited partners. A Fund could also be adversely affected if the market value of its investments declines during times of higher inflation as compared to periods with lower inflation.

***Financial Institution Risk; Distress Events.*** An investment in the Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "Financial Institution") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including, but not limited to, eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Greenbriar, the General Partner, the Fund or one or more of the Fund's portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an extended, potentially indeterminate, period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by government-sponsored organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the stated amounts are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose comparable risk of loss. While in recent years governmental intervention has resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that such intervention will occur in connection with any future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, delays or negative impacts on banking or brokerage conditions or markets.

Any Distress Event could have a potentially adverse effect on the ability of the General Partner to manage the Fund and its investments, and on the ability of the General Partner, the Fund and any portfolio company to maintain operations, which, in each case, could result in additional operational



burdens, as well as significant losses and in unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event the Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the General Partner believes reflect the fair value of such investments; and the inability of Greenbriar or portfolio companies to make payroll, fulfill obligations or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that Greenbriar will experience additional operational burdens and expenses, and the Fund or a portfolio company will incur additional expenses or delays, or incur additional expenses, in putting in place alternative arrangements, or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, availability, access to capital or otherwise). To the extent the General Partner is able to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses, delays or other negative impacts. The Fund and its portfolio companies are subject to similar risks as well as additional risks, including an enhanced risk of investor defaults, if a Financial Institution utilized by investors in the Fund or by suppliers, vendors, contractors, service providers or other counterparties of the Fund or a portfolio company becomes subject to a Distress Event, which could have a material adverse effect on the Fund and/or one or more of its portfolio companies.

Many Financial Institutions require, as a condition to using certain of their services (often including lending services), that the General Partner and/or the Fund maintain all or a set amount or percentage of their respective accounts or assets with that Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the General Partner seeks to do business with Financial Institutions that it believes are established, well-capitalized and capable of fulfilling their respective obligations to the Fund, the General Partner is under no obligation to use a minimum number of Financial Institutions with respect to the Fund or to maintain account balances at or below the relevant insured amounts. Under certain circumstances, such as receiving capital contributions pursuant to a capital call or proceeds from a disposition, the Fund will not be able to maintain account balances at or below any relevant insured amounts.

## **Item 9. Disciplinary Information**

None.

## **Item 10. Other Financial Industry Activities and Affiliations**

We are not registered, nor do we have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. The General Partners of certain funds have filed for an exception from registration as commodity pool operators in accordance with CFTC Rule 4.13(a)(3) and Greenbriar has filed for an exemption from registration as a commodity trading advisor in accordance with CFTC Rule 4.14(a)(8).

The following entities are the General Partners of the Funds, each of which is indirectly controlled by our Managing Partners:

- Greenbriar Equity Capital III, L.P.
- Greenbriar Equity Capital III AIV, L.P.
- Greenbriar Equity Capital IV, L.P.
- Greenbriar Equity Capital V, L.P.
- Greenbriar Equity Capital VI, L.P.

See *Conflicts of Interest* in Item 11 below.

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

We have adopted a “Code of Ethics,” which is included as a part of our “Compliance Manual” and which (along with any amendments) is provided to all personnel. Our Code of Ethics requires all of our personnel to conduct themselves with integrity and dignity and to act in a professional and ethical manner in all dealings on our behalf; act with competence and strive to maintain and improve their competence; use proper care and exercise independent professional judgment in the execution of their duties; avoid actions or relationships that might conflict, or appear to conflict with, job responsibilities or the interests of our firm and our Clients; and comply with all applicable federal securities laws. Also, our Code of Ethics and Compliance Manual informs our personnel on what constitutes material, nonpublic information and the laws and requirements relating to insider trading and confidentiality of nonpublic information. Each personnel member must certify that he or she has read, understands and agrees to comply with our Compliance Manual. We hold an annual compliance training session, and attendance is mandatory for all personnel.

Greenbriar and its affiliated persons may come into possession of material non-public or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, Greenbriar and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a Client of Greenbriar.

Accordingly, should Greenbriar or any of its affiliated persons come into possession of material non-public or other confidential information with respect to public and non-public company, Greenbriar generally would be prohibited from communicating such information to Clients, and Greenbriar will have no responsibility or liability for failing to disclose such information to Clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Greenbriar personnel serving as directors of public companies and may restrict trading on behalf of Clients, including a Fund.

The Code of Ethics imposes certain restrictions, pre-clearance and reporting requirements on personal trading and other activities of its principals and personnel. The personal trading policy applies to accounts of certain family members (including the spouse and minor children of a principal or other personnel, and immediate family members of a principal or personnel member who live in the same household). Under the Code of Ethics, principals and other personnel must obtain approval prior to executing transactions in private placements or initial public offerings. In addition, Greenbriar maintains a restricted list containing the names of securities which access persons are generally prohibited from trading. All transactions made by personnel are monitored on an ongoing basis by Greenbriar to ensure the personal trading patterns of personnel fall within the guidelines set forth in the Code of Ethics.

In the event that Greenbriar or its personnel (i) obtain material non-public information with respect to any portfolio company on whose board of directors an employee serves or (ii) is subject to trading restrictions pursuant to the internal trading policy of such a portfolio company, Greenbriar may be prohibited for a period of time from engaging in transactions in the securities of such portfolio company which prohibition may have an adverse effect of Greenbriar. In addition, Greenbriar may also be restricted from buying or selling the securities of other companies based upon information attained as a result of an employee's role as a director of portfolio company.

A copy of our Code of Ethics will be provided to any Client or prospective Client upon request.

### **Conflicts of Interest**

Greenbriar and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. Greenbriar will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant limited partnership agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Greenbriar conducting its activities, the interests of a Fund likely will conflict with the interests of Greenbriar, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Greenbriar will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by Greenbriar principals through such Fund, subject to certain limited exceptions set forth in the Governing Documents and Greenbriar's allocation policies. Without limitation, Greenbriar principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Greenbriar personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Greenbriar's principals and Greenbriar's investment staff will continue to manage

and monitor such investments until their realization. Such other investments that Greenbriar principals expect to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, Greenbriar principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Greenbriar's sole discretion, Greenbriar and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Greenbriar personnel are permitted to serve on boards or act in other roles unaffiliated with Greenbriar, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce management fees.

Greenbriar expects to be presented with certain investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Greenbriar. In determining which investment vehicles should participate in such investment opportunities, Greenbriar and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, Greenbriar is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one Client of Greenbriar in a portfolio company also have the potential to raise the risk of using assets of a Client of Greenbriar to support positions taken by other Clients of Greenbriar.

Greenbriar must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Greenbriar considers all relevant facts and circumstances in making such determination, which generally include one or more of the following: (i) the specific nature of the investment, (ii) the size and type of the investment, (iii) the relevant investment strategies and objectives of the relevant Fund(s), (iv) portfolio diversification objectives and applicable investment limitations, (v) the amount of available capital, (vi) the source of the investment opportunity, (vii) the anticipated holding period and remaining investment period, (viii) obligations to predecessor and successor funds, (ix) the extent of involvement of the investment professionals dedicated to the relevant Fund(s) and (x) any legal, tax, regulatory and other considerations deemed relevant by Greenbriar. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of Greenbriar in the manner set forth in the relevant limited partnership agreements and Greenbriar's allocation policies. Greenbriar will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its Clients under the circumstances over time consistent with Greenbriar's obligations and reserves the right to take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, Greenbriar, in its sole discretion, will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and reserves the right to offer any such excess to one or more potential co-investors, including third parties, as set forth in the relevant Funds' limited partnership agreements, Side Letters and Greenbriar's procedures regarding allocation. Greenbriar expects to offer one or more persons (including, but not limited to, limited partners of a Fund and/or

third parties, including consultants, directors, members of the Operating Network and service providers) the opportunity to participate in any such excess opportunities, directly or by forming one or more co-investment vehicles specifically to take up any such excess opportunity, and may be compensated for doing so, including through the receipt of fees from portfolio companies and management fees and carried interest from co-investors, which will not offset management fees. Greenbriar will determine in its sole discretion the person(s) to whom it offers any such opportunity, and the relative amounts offered to each such person, taking into account such factors as Greenbriar determines appropriate based on the relevant facts and circumstances, which may include one or more of the following: (i) the ability of an investor to commit to invest within a specified period of time, in light of the timing constraints applicable to such investment; (ii) the ability of an investor to commit to sufficient capital relative to the opportunity and the administration thereof; (iii) whether an investor provides strategic value in respect of such investment, such as by having relevant experience in the sector or existing relationships with management or other relevant parties; (iv) the capital commitment, size and financial resources of the investor; (v) whether and to what extent an investor has accepted prior co-investment opportunities offered to it; (vi) any confidentiality concerns that arise in connection with providing the other parties with specific information relating to the investment opportunity; (vii) prior expression of interest to co-invest generally and expression of interest of a specific nature; and (viii) such other factors as Greenbriar deems relevant, which will likely include subjective determinations such as working relationships and strategic benefits to the applicable portfolio company investment or to private fund clients. Although Greenbriar reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Greenbriar in identifying co-investors. Additionally, Greenbriar reserves the right to permit members of the Operating Network, vendors or service providers to co-invest alongside the Funds.

Furthermore, Greenbriar or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a co-sponsor. Notwithstanding the foregoing, Greenbriar expects to offer co-investment opportunities to individuals or firms whom Greenbriar believes, due to their specific capabilities, experience or otherwise, will add value or provide strategic sourcing or similar benefit to a Fund or the applicable portfolio company's activities. Such strategic co-investors would include, without limitation, management of the applicable portfolio company, introducers (including members of the Operating Network), lenders and other service providers (including consultants), persons serving as outside directors and other persons (which could include one or more limited partners, as applicable) with functional, geographic, industry or other relevant expertise applicable to such portfolio investment. The allocation of co-investment opportunities will not always be in the best interests of a Fund or any individual limited partner. Co-investment opportunities typically will be offered to some and not to other Greenbriar investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Greenbriar expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made

by Fund investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of Greenbriar and its affiliates make capital investments in or alongside certain Funds, Greenbriar and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction will be equal to and not less than another Fund participating in the same transaction or that it will be as favorable as it would have been had such conflict not existed. Further, there can be no assurance that a Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Greenbriar personnel are required to co-invest in each transaction. The amount a personnel member is required to invest is based on his or her level of seniority in the organization and, where an employee has a carried interest entitlement, is consistent with such carry percentage. Subject to the limitations the applicable Fund's Governing Documents, the co-investment amount may be increased prior to December 31 of each year, but is otherwise, in the aggregate for such person, in a fixed amount. The co-investments may be made individually or through one or more partnerships or other entities consisting of persons selected by Greenbriar for the purposes of investing side-by-side the Fund (each such entity, an "Executive Fund"). In addition, members of the Operating Network also invest amounts alongside the Funds. If an Executive Fund is formed it is expected to have certain different terms and conditions that would be more or less favorable than the terms and conditions of the applicable Fund. Although such employee co-invest arrangements subject Greenbriar or their respective affiliates to potential conflicts of interest, Greenbriar believes that such potential conflicts are mitigated because such arrangements can help align personnel's interests with the interests of the limited partners and encourage prudence and diligence during the investment process.

Strategic co-investors and other third party co-investors will typically bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may (or may not) be required to pay their pro rata share of fees, costs and expenses related to potential investments that are not consummated, such as breakup fees or broken deal expenses. However, in most circumstances, co-investors will not bear such breakup fees and broken deal expenses because they have not been identified as of the time such potential investment ceases to be pursued or otherwise and therefore, such fees, costs and expenses will be considered operating expenses of and be borne by the applicable Fund(s). Each Executive Fund will typically bear its pro rata share (based upon its and the applicable Fund's aggregate capital commitments) of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their investments including breakup fees or broken deal expenses. To the extent that an Executive Fund incurs any expenses that would be operating expenses of the applicable Fund if such expenses were incurred solely by such Fund and such expenses are of a type that are common to the activities of such Fund and the Executive Fund, Greenbriar shall allocate such expenses between such entities based on the relative commitments to such vehicle(s) or in such manner as Greenbriar otherwise determines to be equitable. Notwithstanding the foregoing, co-investors (other than co-investment vehicles managed by Greenbriar) will not typically bear the cost of D&O and/or other applicable liability insurance related to such appointments by Greenbriar or an affiliate. A conflict of interest could arise in regard to the allocation of investment expenses and any common operating expenses as between a Fund and other affiliated entities of Greenbriar. The Funds will be reliant on the determinations of Greenbriar in this regard.

Funds will co-invest with third-parties through partnerships, joint ventures or other entities or arrangements. Such investments involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner will at any time have economic or business interests or goals that are inconsistent with those of a Fund, or will be in a position to take action contrary to the investment objectives of a Fund. In addition, a Fund will in certain circumstances be liable for actions of its third-party co-venturer or partner.

As a matter of practice, Greenbriar and/or its affiliates have discretion over whether to charge transaction fees or other portfolio company fees to a portfolio company and, if so, the fee rate or amount. The receipt of such fees gives rise to conflicts of interest between one or more Funds, on the one hand, and Greenbriar and/or its affiliates on the other hand. Moreover, from time to time, Greenbriar or an affiliate is also paid such fees from, on behalf of, or with respect to amounts allocable to, co-investors in an investment. The receipt of such fees from, on behalf of or with respect to any such co-investors will not reduce the management fee payable by any Fund that has also invested in such investment, and as a result, such Fund(s) will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors. The receipt of such fees gives rise to conflicts of interest between one or more Funds, on the one hand, and Greenbriar and/or its affiliates on the other hand.

Greenbriar's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely

will be more or less advantageous to some such persons relative to others. While Greenbriar will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its Clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Greenbriar expects to be subject, discussed herein, did not exist.

In certain cases, Greenbriar will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant limited partnership agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Greenbriar will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant limited partnership agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage, and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Greenbriar and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the limited partnership agreements of the Funds, Greenbriar will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its Clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Greenbriar expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions will generally be made by Greenbriar or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Funds or co-invest vehicles



receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has a greater benefit to a Fund or Greenbriar. The Funds generally have different expense reimbursement terms, including with respect to management fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, Greenbriar and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Greenbriar personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable to Greenbriar and/or its affiliates. Unless such amounts are subject to the limited partnership agreements' offset provisions, they will be in addition to any management fees or carried interest paid by a Fund to Greenbriar.

Additionally, a portfolio company typically will reimburse Greenbriar or service providers retained at Greenbriar's discretion for expenses (including without limitation travel expenses) incurred by Greenbriar or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function, or other services performed by Greenbriar personnel. This subjects Greenbriar and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Greenbriar determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. These factors help to mitigate related conflicts of interest.

In connection with its services to the Funds and their investments, Greenbriar, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Greenbriar's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Greenbriar and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Greenbriar Information"). In many cases, Greenbriar Information will include tools, procedures and resources developed by Greenbriar to organize or systematize Greenbriar Information for ongoing or future use. Although Greenbriar expects its Funds and their portfolio companies generally to benefit from Greenbriar's possession of Greenbriar Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Greenbriar and its personnel) and not by the Fund or portfolio company from which Greenbriar Information was originally received. Greenbriar Information will be the sole intellectual property of Greenbriar and solely for the use of Greenbriar. Greenbriar reserves the right to use, share, license, sell or monetize Greenbriar Information, without offsetting or otherwise reducing management fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates,

discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset or reduce management fees.

Greenbriar generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) Greenbriar or a related person of Greenbriar (which is permitted to include a portfolio company of such Fund), (ii) an entity with which Greenbriar or its affiliates or current or former personnel has a relationship or from which Greenbriar or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Greenbriar personnel are seconded, or from which Greenbriar receives secondees; or (iii) certain limited partners or their affiliates. For example, Greenbriar expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Greenbriar to conflicts of interest, because although Greenbriar selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Greenbriar has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Greenbriar, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Greenbriar), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Although Greenbriar generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. In certain circumstances where Greenbriar commits or has committed to seek "market" or "arms-length" rates or terms, Greenbriar will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Greenbriar reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Greenbriar undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Greenbriar reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Greenbriar has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lessercost.

In addition, as described above, portfolio companies typically pay certain fees to, and reimburse expenses of, Senior Advisors, Operating Executives and Executive Council members and other

consultants (including consultants introduced or arranged by Greenbriar and/or its affiliates that regularly provide services to one or more portfolio companies), and such amounts do not offset or reduce the management fee as described herein. Members of the Operating Network generally make use of Greenbriar resources or otherwise are associated with Greenbriar. Greenbriar and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis or provide other compensation. Members of the Operating Network (other than Operating Partners) generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the management fee of any Fund, as described herein, and the use of the Operating Network is expected to fluctuate and/or expand over time. To the extent that certain members of the Operating Network are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the member's services at a time when fewer portfolio companies or Funds make use of such member. Under many of these arrangements, including where members of the Operating Network are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or written work product generated by the members of the Operating Network. Although the use of members of the Operating Network and the allocation of compensation paid to them by the portfolio companies subjects Greenbriar and/or its affiliates to conflicts of interest, Greenbriar believes that such conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operating Network is lower than market rates for the services provided and/or if the services of the Operating Network align with Greenbriar's model for the portfolio company and improve portfolio company performance. Although Greenbriar seeks to retain members of the Operating Network with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Greenbriar also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Greenbriar believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only members of the Operating Network and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Greenbriar reserves the right to cause a Fund to enter into a transaction whereby the Fund (i) purchases securities from, or sells securities to, other Funds managed by Greenbriar, or co-investors or co-investment vehicles, or (ii) co-invests alongside such other Funds or co-investors. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. In some cases, a portfolio company of one Fund will be merged with or into a portfolio company owned by another Fund. Any of these transactions raise potential conflicts of interest, including where: (i) the investment of one Fund supports the value of portfolio companies owned by another Fund; or (ii) the transaction allows Greenbriar or its affiliates to realize carried interest or receive future management fees or other compensation with respect to such investments. These

conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' limited partnership agreements or otherwise in the sole discretion of Greenbriar, Greenbriar reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Fund(s) to opine as to the fairness of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Greenbriar) and/or obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. Greenbriar reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction (including its value) to a Fund under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). Greenbriar intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances Greenbriar will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Governing Documents. Where required by the Governing Documents and based on the facts and circumstances of the applicable transaction, Greenbriar consults and receives consent to such cross transactions from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

Although Greenbriar generally structures Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund or any Greenbriar affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which would result in one Fund or certain Funds being solely liable for other Funds' share of the relevant obligation and/or joint and several liabilities among Funds. In such cases, Greenbriar intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market parties are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or a Greenbriar affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could suffer adverse effects resulting from any default by any Fund or a Greenbriar affiliate, whether or not related to the Fund in which such limited partners have invested.

Greenbriar and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds or other investment vehicles advised by Greenbriar and/or its affiliates; conversely, current or former personnel or executives of Greenbriar and/or its affiliates are expected to serve in significant management roles at portfolio

companies or service providers recommended by Greenbriar. Similarly, Greenbriar, its affiliates and/or personnel maintain relationships with (or and invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Greenbriar and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Greenbriar entities, whether or not relating to financing Greenbriar personnel obligations to fund General Partner commitment obligations) to Greenbriar personnel and their estate planning vehicles. Greenbriar expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Greenbriar information about markets and industries in which Greenbriar operates (or is contemplating operations) or will provide other services that are beneficial to Greenbriar or one or more other Funds. Greenbriar expects to be subject to a potential conflict of interest in making such recommendations, in that Greenbriar has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended will not always necessarily be the best available to a Fund or its the portfolio companies.

Greenbriar, its affiliates, and equity holders, officers, principals and personnel of Greenbriar and its affiliates reserve the right to buy or sell securities or other instruments that Greenbriar has recommended to a Fund. In addition, officers, principals and other personnel reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Such transactions are subject to any restrictions in the Fund's limited partnership agreement and any policies and procedures set forth in Greenbriar's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Personnel and related persons of Greenbriar have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

Except to the extent prohibited by the Governing Documents, Greenbriar and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles or accounts the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents, Side Letters and anti-"assignment" provisions of the

Advisers Act, Greenbriar and its personnel are also permitted to offer, restructure and monetize interests in Greenbriar.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Greenbriar, are reimbursed by a Fund and/or its portfolio companies, Greenbriar will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Greenbriar has entered and will enter into certain strategic relationships with its Senior Advisors, Operating Executives and Executive Council members to provide certain services to Fund(s) or their portfolio companies in exchange for cash or equity consideration in connection with sourcing investments, technology, human resources, environmental, social and corporate governance matters, due diligence, providing operating services to portfolio companies or serving on the boards or in management policy-making positions of such companies. In addition to Greenbriar's Operating Network, to the extent Greenbriar utilizes Greenbriar personnel (other than Operating Partners) whose job functions primarily include providing operational advice concerning sourcing investments, technology, human resources, environmental, social and corporate governance matters and due diligence and/or operating services to a Fund or its portfolio companies, such personnel will be deemed Operating Executives to the extent of such service and its consideration or reimbursement. Senior Advisors, Operating Executives and Executive Council members will, in certain or all such situations be entitled to receive compensation, including, but not limited to, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from Greenbriar and/or its Funds or affiliates, guaranteed minimums or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such members, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Greenbriar may make collective arrangements between a Senior Advisor, an Operating Executive or an Executive Council member and one or more of Greenbriar, the Fund(s) and portfolio companies whereby each such party (other than such Senior Advisor, Operating Executive or Executive Council member) compensates such Senior Advisor, Operating Executive or Executive Council member for his, her or its services to such party. They generally receive substantial compensation from the portfolio companies including fixed salaries, bonuses and equity incentives. Such payments may also reduce retainers otherwise payable by Greenbriar but such compensation will not reduce the management fees payable to Greenbriar. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation. The Senior Advisors, Operating Executives and Executive Council members are also not subject to certain of the restrictions on Greenbriar investment professionals and affiliates such as conflicts of interest, allocation of investment opportunities, and formation of other vehicles. Although such use of the Senior Advisors, Operating Executives and the members of the Executive Council, and the allocation of compensation

paid to them by Greenbriar and/or the portfolio companies, subject Greenbriar or its affiliates to potential conflicts of interest, Greenbriar believes that such potential conflicts are mitigated by the services and expertise provided by such members to the portfolio companies. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost.

In addition to the Senior Advisors, Operating Executives, and Executive Council members, Operating Partners (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) are expected to also be engaged to provide services to Greenbriar in relation to its activities or one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies. These services may be similar in nature to those provided a Fund's investment team. Operating Partners will, in certain or all such situations, be entitled to receive cash and/or non-cash (e.g., equity) consideration for their services from the applicable portfolio companies (and Greenbriar may be reimbursed from portfolio companies for advancements of such consideration), which consideration or reimbursement, for the avoidance of doubt, will reduce the management fee payable to Greenbriar. The services of the Operating Partners may be provided to Greenbriar or the Funds on an exclusive basis. Pursuant to the Governing Documents, fees and expenses associated with the services provided by members of the Operating Network, may be paid and/or reimbursed by applicable portfolio companies and/or a Fund. Such fees and expenses may, at the discretion of the General Partner taking into account the particular services, include a profits or equity interest in a portfolio company or other incentive-based compensation to the members of the Operating Network, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the members of the Operating Network, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. While such fees and expenses will be determined by Greenbriar on a basis it believes to be reasonable and generally at market rates for the relevant services provided, exclusive arrangements or other factors may result in fees and expenses paid to members of the Operating Network that are not always comparable to costs, fees and expenses charged by other third parties. Greenbriar will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. In certain circumstances where Greenbriar commits or has committed to seek "market" or "arms-length" rates or terms, Greenbriar will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Greenbriar reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Greenbriar undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Greenbriar reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves conflicts of interest. Fees or other payments or benefits received by members of the Operating Network (other than the Operating Partners) in connection with their services, including any amounts paid in connection with particular transactions or

investments, will not reduce the management fee paid by a Fund. Members of the Operating Network are expected to also serve on the boards of portfolio companies or as employees or consultants in an operations capacity. Any directors' fees, salaries, consultant fees, other cash compensation, stock options or other compensation and incentives received by members of the Operating Network (other than the Operating Partners) in such capacities will be borne by the portfolio companies, will not reduce the management fee paid by a Fund.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Greenbriar may not otherwise have done so. Since Greenbriar is permitted to retain certain Other Fees (as described under "Fees and Compensation") in connection with certain Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation. In many cases, Other Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Other Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company.

The Governing Documents provide Greenbriar with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect Greenbriar's compensation. In making such determinations, Greenbriar is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for Greenbriar or its affiliates to make investments and hold investments longer than otherwise would be the case in the absence of the relevant Fund's management fee and carried interest compensation arrangements. Greenbriar expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing management fees and, potentially, earlier and/or larger carried interest distributions that would otherwise be the case.

Where the management fee is calculated taking into account the valuation of an investment, Greenbriar will have incentives to make determinations that result in the continued payment of, or a higher, management fee. Where the Governing Documents do not require management fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, Greenbriar can be incentivized to pursue such transactions (or less incentivized to avoid them). Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

Greenbriar's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be



influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of Greenbriar's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although Greenbriar intends to operate in accordance with the Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Since Greenbriar is permitted to retain certain Other Fees and Break-Up Fees (as described under "Fees and Compensation") in connection with Fund investments, it could have a conflict of interest in connection with approving transactions and setting such compensation. Additionally, Greenbriar, its personnel, affiliates or others designated by Greenbriar expect to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the operating documents of the relevant Fund are applied (typically based on the then-present value of such securities), Greenbriar and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or the Greenbriar) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because such portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Greenbriar reserves the right to accrue, defer or forego payments of Other Fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of management fee offsets with respect to such amounts until they are actually received.

Greenbriar and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures, or arrangements (including discounted or rebated compensation terms, modified

waterfall mechanics and/or receipt of a portion of Greenbriar's compensation, information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms).

Greenbriar is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, e.g., based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Greenbriar, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Greenbriar, its affiliates and personnel, or the Funds. Further, Side Letters also are expected to relate to strategic relationships under which an investor agrees to make commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Greenbriar, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although Greenbriar believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Greenbriar reserves the right to institute a program under which portfolio companies owned by the Funds would either be given the option or required to participate in purchasing, vendor or similar arrangements with Greenbriar, its affiliates and other portfolio companies. Participants on any such program would

receive discounts negotiated with various vendors and service providers on a groupwide basis. Such participants would either voluntarily participate in the program without cost or alternatively, if fees and/or third-party administration costs were charged for participating in such program, Greenbriar would allocate such fees and/ or costs among the relevant Funds or portfolio companies. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Greenbriar and its affiliates reserve the right to also participate in the program in exchange for paying an allocable portion of such fees and/or costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts would offset or reduce the management fee. Greenbriar believes the potential for conflicts relating to any such arrangements would be mitigated by the anticipated cost savings to portfolio companies (which Greenbriar expects would be to the benefit of the applicable Fund(s)) that would result if the rates for goods and services were discounted due to scale or relative to those widely available in the market. Greenbriar and its affiliates, principals and personnel expect to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

Each General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date.

In borrowing on behalf of a Fund, Greenbriar is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of such Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the applicable Fund's preferred return, is expected to have incentives to cause such Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the applicable Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner of the applicable Fund called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when management fees are calculated as a percentage of invested capital, a limited partner may pay management fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a

subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Any of the foregoing situations subjects Greenbriar and/or its affiliates to potential conflicts of interest. Greenbriar attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Greenbriar's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. To the extent that an investment or relationship raises particular conflicts of interest, Greenbriar will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Greenbriar consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

## **Item 12. Brokerage Practices**

We do not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Fund because the securities that we typically purchase or sell on behalf of the Funds are acquired and/or disposed of in privately negotiated purchase and sale transactions.

We use brokers to effect transactions in public securities resulting from, or in connection with, portfolio investments. In those instances, we have full discretionary authority with respect to the selection of, and commissions paid to, brokers. If we determine to engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us, and the value to us of research provided, if any. If a Fund transacts in a publicly traded security, due to exclusivity provisions and the fact that Greenbriar generally only invests the assets of a Fund during its investment period, it generally would not be practicable to aggregate transactions with another Fund.

We do not receive soft dollar benefits, outside of receiving research available to other institutional investors, or Client referrals from broker-dealers in connection with Client transactions.

## **Item 13. Review of Accounts**

Our Managing Partners are responsible for oversight of the investment process. Post-investment, with respect to our portfolio companies, our investment professionals typically develop strategic plans, monitor operations and financial performance, interact regularly with management and receive and review performance reports. Our investment professionals typically serve on boards of directors of portfolio companies. This regular contact is intended to permit us to assess and monitor opportunities for company growth and identify potential realization points and/or exit strategies.

Limited partners in the Funds are provided with audited annual financial reports and quarterly unaudited summary financial information and capital account statements. Limited partners are also provided with annual tax information. This information may be provided electronically.

## **Item 14. Client Referrals and Other Compensation**

We sponsor the formation of each Fund, and we do not engage or compensate third party referral agents to solicit for us new Clients. In the event that we engage, and will make a cash payment to, any solicitor of Clients, we will do so in accordance with Rule 206(4)-1 under the Advisers Act. We will bear the full costs of any compensation paid to such solicitors.

In Fund III, Fund IV, Fund V and Fund VI, Greenbriar has compensated or will compensate placements agents who introduce new investors that commit capital. The fees paid to any such placement agent generally would be in the form of a percentage of capital committed by investors. Any placement agent would generally be a broker-dealer registered under the Securities Exchange Act of 1934.

## **Item 15. Custody**

We have engaged a third party to serve as qualified custodian for the Funds. The 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. Additionally, each Fund (within 120 days of the end of its fiscal year) circulates to its limited partners audited annual financial reports prepared in accordance with generally accepted accounting principles.

## **Item 16. Investment Discretion**

Greenbriar has entered into an investment management agreement with each Fund. Each such agreement, together with the management authority granted to each Fund's General Partner pursuant to the Fund's limited partnership agreement, provides us with full discretion to determine investments to be purchased and sold on behalf of the Fund and the terms of the related transactions. Limitations on our investment discretion are set forth in the investment management agreement with, and the limited partnership agreements of, the Funds.

## **Item 17. Voting Client Securities**

While the securities evidencing the private equity investments made by the Funds are not typically the subject of proxies, there could be certain circumstances where we, having discretionary authority over the Funds, may be asked to vote the securities of the Funds on restructuring or other corporate matters. Greenbriar's policy is to exercise any such proxy vote in the best interest of its Funds. We will ensure that a record of each securities position held by each Fund is maintained and, where any such vote is to occur, we will ensure that we receive all relevant information, disclosure materials and such proxies or consents as are necessary for us to be able to cast votes in a timely manner. We will maintain all proxy voting records.

The Chief Compliance Officer will also determine whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interest of a Fund. If we determine that there is no material conflict of interest, then we will make the voting

determination and take the required voting action. If the Chief Compliance Officer has identified a material conflict of interest that cannot be resolved by removing one or more persons from the voting decision, then the Chief Compliance Officer will consult with counsel to determine an appropriate course of action in respect of the voting decision, which may include seeking the consent of the advisory committee of the applicable Fund.

A copy of our proxy voting policies and procedures will be provided to any Client and prospective Client upon request. In addition, any investor may obtain specific information as to how certain proxies for securities held in a Fund were voted upon the request for such information.

### **Item 18. Financial Information**

Greenbriar has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients. In addition, Greenbriar is not currently, nor at any time in the past been the subject of a bankruptcy petition.

### **Item 19. Requirements for State-Registered Investment Advisers**

Not Applicable