

**INVESTMENT ADVISER BROCHURE**

**EMBER INFRASTRUCTURE MANAGEMENT, LP**

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March 29, 2024**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Ember Infrastructure Management, LP (“Ember”). If you have any questions about the contents of this Brochure, please contact us at +1-646-374-3921. The information in this Brochure has not been approved or verified by the U. S. Securities and Exchange Commission (the “SEC”) or by any state authority.**

Ember is a registered investment adviser 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.

Additional information regarding Ember is also available on the SEC’s website at

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

Ember filed its most recent Form ADV Part 2 on March 31, 2023. This annual amendment updates the description of the business practices of Ember and its affiliates.

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## **ADVISORY BUSINESS**

Ember, a Delaware limited partnership, and its affiliated entities provide investment advisory services to investment funds privately offered to qualified investors in the U.S. and elsewhere. Ember commenced operations in 2018.

Ember's clients include the following (each, a "Fund," and collectively, together with any future private investment fund to which Ember and/or its affiliates provide investment advisory services, the "Funds"):

- Ember Infrastructure Fund I, LP
- Ember Infrastructure Fund I-A, LP
- Ember Infrastructure Fund I-B, LP
- Ember Infrastructure Fund II, LP
- Ember Infrastructure Fund II-A, LP
- Ember SPV I Co-Invest, L.P.

The following general partner entities are affiliated with Ember:

- Ember Infrastructure Fund I GP, LP
- Ember Infrastructure Fund II GP, LP

(each, a "General Partner," collectively with any future general partners and equivalent entities formed from time-to-time to any future Funds, the "General Partners," and together with Ember and their affiliated entities, "Ember").

Each General Partner is subject to the Advisers Act pursuant to Ember's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Ember.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "portfolio companies" or "portfolio investments." Ember's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. Where such investments consist of portfolio companies, the senior principals or other personnel of Ember or its affiliates are permitted to generally serve on such portfolio companies' respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Ember's advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a "Memorandum"), investment management agreements, limited partnership or other operating agreements of the Funds (each, a "Partnership Agreement" and, together with any relevant Memorandum, the "Governing Documents") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Ember and any investor. The Funds or the General Partners generally enter into side letters or other similar agreements ("Side Letters") with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Additionally, as permitted by the Governing Documents, Ember 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 other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Ember personnel and/or certain other persons associated with Ember and/or its affiliates. Such co-investments often involve investment and disposal of interests in the applicable portfolio company at substantially the same time and on substantially 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) could purchase 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.

As of December 31, 2023, Ember managed \$644,708,729 in client assets on a discretionary basis. Ember Infrastructure Management, LP is majority owned by Ember Infrastructure Management Holdings, LP and is controlled by Ember Infrastructure Partners, LLC, its general partner.

## **FEES AND COMPENSATION**

In general, Ember receives a management fee and a carried interest in connection with the provision of advisory services to its clients. Ember or other Ember entities or affiliates are permitted to receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will generally offset in whole or in part the Management Fees (as defined below) otherwise payable to Ember to the extent provided by the Governing Documents. In certain circumstances, Ember is permitted to receive compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds. Such compensation will not offset the management fees otherwise payable to Ember. Investors in a Fund also bear certain expenses. It is expected that any future Funds will have a similar fee and compensation structure, although the particular amounts of fees and compensation will likely vary.

## Management Fees

The payment of management fees is detailed, and subject to the terms, in each Fund's Governing Documents.

As is generally the case in private equity funds, the Governing Documents provide that the management fee a Fund will pay Ember (the "Management Fees") will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value or fair market value. As further specified in the Governing Documents, during a Fund's commitment period (the "Commitment Period"), a Fund generally will pay Ember, quarterly in advance, a Management Fee equal to a percentage (typically 2.0%) on an annual basis of aggregate investor capital commitments ("Commitments"). Investors participating in a closing after the date of the initial closing of a Fund bear the Management Fee from such initial closing date.

Upon the earlier to occur of (i) the date the Commitment Period expires or terminates or (ii) a date specified in the Governing Documents (the "Stepdown Date"), the Management Fee generally will be charged and calculated based on a formula equal to a percentage (typically 2.0%) of the investors' "Net Funded Commitment." "Net Funded Commitment" means, in respect to any investor in a Fund, such investor's capital contributions relating to unrecouped bridge financing and all portfolio investments of the Fund with respect to which there has not been a disposition or with respect to which the Fund has received non-cash proceeds (other than proceeds from a disposition or current income) that are then held by the Fund, as reduced by the aggregate amount of any permanent write downs of such portfolio investments or non-cash proceeds (such investments or non-cash proceeds that have been permanently written-down, "Impaired Value Investments"); provided that investments in a portfolio company shall be treated for this purpose as having been subject to a disposition or permanently written-down only to the extent that, as of the date of determination, the aggregate value of all remaining investments in such portfolio company is less than the aggregate investment contributions with respect to all existing and former investments in such portfolio company. The Management Fee will be payable until proceeds from all portfolio investments are distributed or until Ember's relationship with the relevant Fund is terminated for other reasons (as described in the Governing Documents). Installments of the Management Fee payable for any period other than a full quarterly period are adjusted on a pro rata basis according to the actual number of days in such period. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

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 described above. Conversely, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a write-down, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Governing Documents.

As a result, the amount of Management Fees generally will not correspond with fluctuations in the net asset value or fair market value of individual investments or of a Fund,

including following the relevant Commitment Period, except in the case of Impaired Value Investments. Management Fees will not be reduced (in whole or in part) in the case of partial distributions or reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, in each case in circumstances that do not result in a disposition of the relevant Fund's interest therein, and even in cases where the value of the Fund's investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction, except in the case of Impaired Value Investments.

In many circumstances, the post-Stepdown Date Management Fee base will include capitalized transaction-specific expenses of unrealized investments and other fees and expenses incurred by a Fund. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or write-downs 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 as specified therein. To the extent specified in a Fund's Governing Documents, Ember or another Ember entity will be permitted to receive certain supplemental fees and other amounts ("Supplemental Fees") consisting of: (i) advisory or directors' fees, transaction, commitment, closing, monitoring, financing, structuring, divestiture, topping, break-up or other similar fees paid by a portfolio company or a third party; (ii) management services or advisory consulting fees paid by any portfolio company; (iii) transaction fees paid by any portfolio company; and (iv) other designated net fee payments received by Ember or its partners or personnel from portfolio companies or prospective portfolio companies. A Fund's Governing Documents generally will provide that Supplemental Fees received by Ember and attributable to the Fund's investment in a portfolio company will be credited against Management Fees otherwise owed to Ember in a specified percentage (*e.g.*, 100%). The remaining amount of such Supplemental Fees, if any, will be retained by Ember. To the extent that the Management Fee would be reduced below zero as a result of such offsets, the excess amount of offsets will be carried forward into the immediately succeeding management fee period. To the extent Supplemental Fees are paid in kind (including in the form of options, warrants or other rights to purchase investments in a portfolio company), Ember is permitted to calculate the amount of offset based on the then-current value of the in-kind payment if not sold to the relevant Fund at cost, rather than the ultimate value of the interests as of a future date.

Ember may be paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-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 Fee 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; (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by Ember, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio

company management, which have the potential to be significant. In certain circumstances, it is possible that co-investors, lenders, consultants 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 in the Governing Documents, Ember uses or retains certain operating partners (“Operating Partners”) and senior advisors (“Senior Advisors”), to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such Operating Partners and Senior Advisors are permitted to receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, Ember also will not offset compensation received from outside sources, 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 Supplemental Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to Ember over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for Ember to seek to increase such amounts.

### **Carried Interest**

Ember will generally receive a carried interest with respect to each Fund equal to 20% of all realized profits subject to an 8% compound preferred return, as more fully described in the Governing Documents. The carried interest distributed to Ember is subject to a potential clawback or giveback at the end of life of the Fund if Ember has received excess cumulative distributions and at certain interim intervals as provided in the Governing Documents.

It is expected that any future Funds will have a similar fee structure.

### **Other Information**

Ember is permitted to exempt certain “affiliated partner” investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Ember and any other person designated by Ember, such as “friends and family” of Ember or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by Ember and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an Ember 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/or 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 and/or carried interest.

The Funds generally invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.



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

In addition to the Management Fee and carried interest payable to Ember, 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 the Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce Management Fees, including: costs and expenses attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of such Fund's investments, legal, filing, accounting, auditing, investment banking, travel (including, where appropriate, meal and entertainment expenses and the cost of any travel a (including air travel, car or ride sharing services, or other modes of transportation), consulting, research, brokerage, finder's fees, financing, real estate title, appraisal, printing, reporting, custody, depositary, transfer, registration, insurance, limited partner advisory board, limited partner meetings and related meal and entertainment expenses, interest, taxes, extraordinary expenses and other similar fees and expenses, including such fees and expenses, break-up or topping fees or other liabilities or obligations, incurred for transactions not consummated ("Broken Deal Expenses"), including Broken Deal Expenses relating to transactions that have been offered to co-investors, but not Ember expenses in connection with maintaining and operating its offices (such as compensation of its personnel, rent, utilities and general office expenses). Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses 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. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Ember and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. 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 Supplemental 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. The General Partner reserves the right to agree with Consultants, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments 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 investment 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 to the recipient greater than the original amount of compensation, which in either case could be substantial. Excluded from

Fund expenses are ordinary administrative and overhead expenses of the General Partners incurred in connection with managing, originating and monitoring investments, including salaries, rent, equipment and other similar expenses specified in the Governing Documents. 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. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. 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. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds 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 for their share of such expenses or obligations, without interest. In certain circumstances, Ember, 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 Ember'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, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, there is a possibility it will not be reimbursed separately by co-investors for the costs of establishing, negotiating, maintaining or utilizing the facility as a whole.

## **Operating Partners**

Additionally, as further described herein and in the Governing Documents, it is Ember's practice to use or retain certain Operating Partners, Senior Advisors, outside advisory councils and other consultants (including entities formed for the benefit of such foregoing persons and/or to facilitate the provision of their services) (collectively, "Consultants") to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such Consultants generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies,

including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Consultants are permitted 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, a share of proceeds upon sale of a portfolio company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from Ember and/or its Funds or affiliates or other compensation, the amount of which will be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Consultants, 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. Additionally, portfolio companies will likely provide opportunities for Consultants to invest in such portfolio companies. 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, and the relevant Fund typically will bear the costs of all Consultant compensation as well as fees, costs and expenses of structuring Consultant arrangements. Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee. The use of Consultants subjects the General Partners to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," the relevant General Partner generally receives a carried interest allocation on certain realized profits in the relevant Fund, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described under "Fees and Compensation."

Ember seeks to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Ember or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Ember generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

#### **TYPES OF CLIENTS**

Ember provides investment advice solely to its Fund clients, and references throughout this Brochure to "clients" and to Ember's related duties to and practices on behalf of its clients and/or

investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time-to-time include, directly or indirectly, principals or other personnel of Ember and its affiliates and members of their families, Consultants or other service providers retained by Ember, as well as executives of portfolio companies.

The relevant General Partner also generally is permitted from time-to-time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents related Fund.

The Funds generally has a minimum investment amount of \$10,000,000 for third-party investors, and such interests are offered and sold solely to qualified purchasers (or qualified knowledgeable Ember personnel). Ember is permitted to waive such minimum investment amount.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Ember was established to seek attractive risk-adjusted returns by investing in middle market businesses and assets that Ember believes contribute to reduced carbon intensity and enhanced resource efficiency. Ember's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments.

The Funds generally seek to deploy equity investments across three sectors: energy transition and decarbonization, resource efficiency and management, and climate resilience and adaptation. The Funds typically target control-oriented equity investments in the range of approximately \$25 million to \$100 million, primarily in North America.

During our investment hold period, Ember actively engages with portfolio company management teams in an effort to drive value creation opportunities, including operational enhancements, platform expansion and capital structure optimization, while maintaining strong emphasis on risk management and downside protection.

There can be no assurance that Ember will achieve the investment objectives of any Fund and a loss of investment is possible.

### **Investment and Operating Strategy**

*Deal Sourcing and Due Diligence.* Ember looks to avoid competitive auction processes and has instead created a robust origination platform built on the relationships and industry

expertise of the entire Ember team. Additionally, Ember has built a network of corporate relationships, with industry, consumer and agribusiness participants pursuing meaningful decarbonization and sustainability goals. This corporate network provides a sourcing channel for new investment opportunities as well as new commercial contracts for portfolio investments. Once a potential investment is identified, Ember develops an investment thesis and, through a detailed due diligence process, seeks to verify such thesis and investigate the major business risks. As part of its diligence process, Ember completes a detailed analysis of an industry including contacting a target company's customers and vendors, trade organizations, Ember's contact network and, in certain instances, industry consultants.

*Development/Deal Structuring/Execution.* Ember employs a rigorous evaluation process incorporating strict selection criteria, integrated due diligence teams, multistage review processes and a strong focus on risk management and mitigation. In addition, Ember's investment team will screen for high-level ESG risks as part of the preliminary risk profile. Additional outside consultants are engaged when warranted. Ember reviews key aspects of the proposed investment, including financial, operational, technical, legal, regulatory, insurance and tax issues, as well as the underlying economic environment and market forecasts. As part of this review, Ember completes comprehensive ESG due diligence with criteria that is aligned with the internationally-accepted industry standards. Ember may leverage third party ESG advisors in due diligence to the extent additional ESG expertise is necessary. After the Ember due diligence team has identified and evaluated relevant risk factors, the investment team will forecast financial performance and conduct sensitivity analyses to determine the impact the factors in question may have on the proposed investments. Once due diligence is completed, the Ember investment team prepares a full memorandum for the Funds' investment committee and submits it to the investment committee for their review and approval.

*Maintain Active Involvement in Portfolio Companies.* Ember's operational enhancements to portfolio companies are focused on several key areas – cost control, capex optimization, streamlining procurement and sales, and prudent financing. Progress is monitored via recurring reviews at which management discusses the status of key tasks and initiatives with Ember. Ember actively identifies and implements growth opportunities through organic development and industry networks. Long term progress is typically monitored with board representation comprised of senior members of the Ember investment team.

*Exit Strategy.* Ember starts planning exit strategies during its investment analysis and builds potential exits into its financial forecasts. During the course of Ember's investment, Ember implements operational improvements (including robust ESG policies and procedures), as well as other measures with the goal of de-risking the business, all with an eye to selling portfolio companies to a competitive market. Ember undertakes an in-depth review of all potential options for exit and seeks to leverage Ember's extensive industry network and transactional experience.

## **Risks of Investment**

A Fund and its investors bear the risk of loss that Ember's investment strategy entails. The risks involved with Ember's investment strategy and an investment in a Fund include, but are not limited to:

## ***General Risk Factors***

*Nature of Investments Generally.* An investment in a Fund requires a long-term commitment, with no certainty of return. There may be little or no near-term cash flow available to investors. Many of a Fund's investments will be highly illiquid. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. Additionally, a Fund typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act of 1933, as amended (the "Securities Act") or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Certain of a Fund's investments may be in businesses with little or no operating history. Certain of a Fund's investments may be in businesses with high levels of debt or may be investments in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. Since the Funds only make a limited number of investments, and since a Fund's investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to investors. There can be no assurance that the targeted returns for a Fund or any investment will be attained.

*Uncertainty of Estimates and Projections.* Estimates or projections of market conditions and supply and demand dynamics are key factors in evaluating potential investment opportunities and valuing portfolio investments and related assets. Estimates of factors such as methane intensity and crop yield (for renewable natural gas and biomass, respectively) by qualified engineers are often a key factor in valuing certain energy companies. The process of making these estimates is complex, requiring significant decisions, collection of accurate factual information and assumptions in the evaluation of available geological, geophysical, engineering, and economic data for each reservoir or reserve. These estimates are subject to wide variances based on changes in market conditions, underlying assumptions, commodity prices, and certain technical or investment-related assumptions. Projected operating results of a portfolio investment in which a Fund invests normally will be based primarily on financial projections prepared by such portfolio investment's management, with adjustments to such projections made by the relevant General Partner 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 effect on the reliability of projections.

*Business Risks.* Each Fund's investment portfolio is expected to consist primarily of securities issued by non-public companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk, which can result in substantial losses. Indeed, investments in troubled companies involve a higher degree of risk than other investments.

*Lack of Sufficient Investment Opportunities.* It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying, structuring and completing private equity transactions is highly competitive and

involves a high degree of uncertainty. However, regardless of the extent to which the Commitments of the limited partners are invested (or drawn down to be invested), the limited partners will be required to bear Management Fees through such Fund during the Commitment Period based on the entire amount of the limited partners' Commitments to such Fund and other expenses as set forth in the Governing Documents.

*Business and Regulatory Risks of Alternative Asset Funds.* Legal, tax and regulatory changes could occur that may adversely affect a Fund at any time during the term of the Fund. The legal, tax and regulatory environment for funds that invest in alternative investments is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased criticism of the private equity and alternative asset industry by some politicians, regulators and market commentators, may adversely affect the ability of a Fund to pursue its investment strategy and the value of investments held by the Fund. In recent years, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies have led to increased governmental as well as self-regulatory scrutiny of the alternative investment fund industry in general. It is impossible to predict what, if any, changes may be instituted with respect to the regulations applicable to a Fund, the relevant General Partner, Ember, their respective affiliates, the markets in which they operate and invest or the counterparties with which they do business, or what effect such legislation or regulations might have. There can be no assurance that a Fund, the relevant General Partner, Ember or their respective affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations, and any regulations which restrict the ability of a Fund to implement its investment strategy could have a material adverse impact on a Fund's portfolio. To the extent that a Fund or a Fund's investments are or may become subject to regulation by various agencies in the United States or other countries, the costs of compliance will be borne by the Fund. Finally, the SEC and other various U.S. federal, state and local agencies have been conducting inquiries into, and bringing enforcement and other proceedings regarding certain practices against, advisers, sponsors and distributors of investment companies and investment funds, including the role of placement agents, finders and other similar private equity service providers in the context of investments by public pension plans and other similar entities. A Fund, the relevant General Partner, Ember or their respective affiliates may receive requests for information or subpoenas from the SEC and other state, federal and foreign regulators from time-to-time in connection with such inquiries and proceedings and otherwise in the ordinary course of its business. These requests may relate to a broad range of matters, including specific practices of the relevant General Partner, Ember, the securities in which Ember invests on behalf of its clients or industry-wide practices. The costs of any such increased reporting, registration and compliance requirements may be borne by the Fund and may furthermore place that a competitive disadvantage to the extent that Ember or issuers are required to disclose sensitive business information.

*No Right to Control a Fund's Operations.* Limited partners will have no opportunity to control the day-to-day operations of a Fund, including investment and disposition decisions, or to remove the relevant General Partner or Ember except under certain limited circumstances. To safeguard their limited liability for the liabilities and obligations of the Fund, such limited partners must rely entirely on the relevant General Partner, Ember and their respective affiliates to conduct and manage, respectively, the affairs of such Fund.

*Restrictions on Transfer and Withdrawal.* Investment in a Fund requires the financial ability and willingness to accept significant risk and illiquidity. The interests in the Funds have not been registered and will not be registered under the Securities Act or any other applicable securities laws. There is no public market for such interests and none is expected to develop. In addition, the interests are not transferable except with the consent of the relevant General Partner, which generally can be withheld by such General Partner in its sole discretion, and are subject to the terms and conditions of the Governing Documents. The limited partners generally are not permitted to withdraw capital from a Fund. Consequently, such limited partners will not be able to liquidate their investments prior to the end of a Fund's term.

*Withdrawal.* One or more limited partners of a Fund may be withdrawn under the applicable Governing Documents for certain reasons including regulatory issues of such limited partner (a "Limited Partner Regulatory Problem"). If the applicable General Partner is unable to resolve the Limited Partner Regulatory Problem by arranging for a transfer or by other means, the affected limited partner may be withdrawn from the Fund by the General Partner, in which case the Fund would redeem the withdrawing limited partner's interest by distributing cash, cash equivalents, a promissory note or securities. Such redemption could result in a Fund selling portfolio investments earlier and at a lower price than it would otherwise and, if the value of the portfolio decreases after such distribution, such Fund will have no right to recoup the value distributed to the withdrawn limited partner. Any such withdrawal will also have other adverse effects on the Fund and the limited partners.

*Mandatory Withdrawal.* The relevant General Partner has the authority to require a limited partner to withdraw from a Fund if the General Partner determines that the continued participation in a Fund of such limited partner could materially adversely affect the Fund, for example by creating a material risk that the Fund would be required to register as an investment company under the Investment Company Act or that a Fund's assets would be treated as "plan assets" of any benefit plan investor. As with a withdrawal due to a Limited Partner Regulatory Problem, a mandatory withdrawal may have adverse effects on a Fund and the limited partners.

*Competitive Nature of a Fund's Business.* The business of a Fund is highly competitive. Ember will be competing for investments against other sources of capital, including direct investment firms, other private funds making investments in the same target sectors, merchant banks, industrial groups, and, in the case of certain investments, local and national governments. Ember may be unable to identify and consummate a sufficient number of attractive opportunities to permit a Fund to invest all of its committed capital and/or diversify its investments to the extent anticipated to be required to meet a Fund's return objectives. Specifically, other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to myriad uncertainties, only some of which are foreseeable or within the control of Ember or the General Partner. Similarly, these entities may seek to dispose of their assets at the same time as a Fund, thereby creating competition for potential buyers upon disposition.

Furthermore, once assets of portfolio investments become operational, such assets will face competition from other assets in the vicinity of the assets they operate, the presence of which depends in part on government plans and policies. No assurance can be given that a Fund will be



successful in obtaining suitable investments, or that if such investments are made the objectives of a Fund will be achieved.

*Dependence on Key Personnel.* The success of a Fund depends in large part upon the skill and expertise of Ember. There can be no assurance that all members of Ember will continue to be employed by Ember throughout the life of a Fund. Although Ember and the applicable General Partner believe the success of a Fund is not dependent upon any individual, the loss of key personnel could have a material adverse effect on a Fund.

*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. 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 regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a 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 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 are generally 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. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such 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. 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 necessarily 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 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 is permitted to incur leverage on a joint, several or cross- collateralized basis with one or more other Funds and entities managed by Ember or any of its affiliates, including through Fund

subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. 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 are permitted to be secured by 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.

*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 a 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 a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against a Fund would likely be subordinate to such Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental 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 the 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 Governing 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 a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases such 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 Commitment 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. Moreover, because following a Fund's Stepdown Date, the calculation of the Management Fee includes aggregate investment contributions made (or payable to such Fund pursuant to capital call notices then issued or to be issued to repay indebtedness incurred by the Fund and used to fund an investment), the relevant General Partner will have an incentive to use additional subscription line borrowings to increase its Management Fee income, which could present additional risk to such Fund. Conversely, a General Partner will face an incentive not to employ the subscription line when it perceives that the overall cost of borrowing exceeds the rate of anticipated value accretion at the relevant underlying investment or its other uses of funds. This may result in more frequent capital calls from, and potentially a lower internal rate of return, to the limited partners.

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 a Fund or impose concentration or other limits on such 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. The 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 a 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. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Ember for expenses incurred on behalf of a Fund. A Fund is also permitted to utilize Fund-level borrowing when a 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 a 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).

*NAV Facilities.* Under the Governing Documents, a General Partner may be permitted to cause a Fund and/or one or more subsidiaries or special purpose vehicles to enter into asset-backed or net asset value facilities (each, a "NAV Facility"), which generally may be secured in whole or in part by any or all of the Fund's or a borrowing subsidiary's or special purpose vehicle's assets, including investments, portfolio companies, and/or the right to receipt of dividends and/or distributions in respect thereof. Indebtedness is permitted to be incurred for any purpose relating to the activities of the relevant Fund, including without limitation to: finance any investment-related 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 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.

A General Partner may be incentivized to rely more on such financing arrangements which would engender additional risks related to the use of NAV Facilities. In connection with such NAV Facilities, a General Partner has authority to pledge all or certain of a Fund's, a borrowing subsidiary's or a special purpose vehicle's equity interests in portfolio companies or other assets, including on a cross-collateralized basis, without taking into account the potential for non-pro rata investments by limited partners as a result of any particular limited partner's opt-out rights. A limited partner may also be required to fund amounts to repay borrowings under a NAV Facility incurred in connection with an investment or managing a Fund's investment portfolio even if such

limited partner did not participate in the relevant investment(s) in connection with which such borrowings were incurred. In utilizing a NAV Facility, a Fund could experience worse performance than if it had not taken on such additional leverage. NAV Facility lenders may foreclose on a Fund's, a borrowing subsidiary's or a special purpose vehicle's assets if the Fund, a borrowing subsidiary, or a special purpose vehicle fails to pay the outstanding obligations under a NAV Facility or experiences another event of default, which could have a material adverse effect on the value of a limited partner's investment in the Fund. In addition, in connection with a NAV Facility, a lender may require that a Fund, a borrowing subsidiary, or a special purpose vehicle, or the relevant General Partner on behalf of the relevant Fund, a borrowing subsidiary, or a special purpose vehicle, enter into so-called "bad boy" or "non-recourse carve-out" guarantees, (contrary to "recourse carveout" guarantees) and typically provide that the lender can recover losses from the guarantors for certain bad acts, which may include, but are not limited to, (i) fraud or intentional material misrepresentation, (ii) intentional waste, (iii) willful misconduct, (iv) criminal acts, (v) misappropriation of the collateral under the NAV Facility or the funds due to the special purpose vehicle borrowers, administrative agent, collateral agent, or lenders under the NAV Facility, (vi) material consensual liens, security interests, charges, or other encumbrances being imposed on any or all of the collateral under the NAV Facility in violation of the NAV Facility (subject to a permitted liens carve-out), (vii) voluntary incurrence of prohibited debt, and (viii) environmental losses sustained by the lender. If a General Partner is required to enter into any such "bad boy" guarantee on behalf of a Fund, and the General Partner or any other indemnified person under the relevant Governing Documents incurs liabilities resulting from the actions of individuals or entities outside of the General Partner's control, then, except as otherwise provided under the Governing Documents, the Fund, a borrowing subsidiary or a special purpose vehicle will be responsible for indemnifying the General Partner and such indemnified persons for such liabilities. In addition, "bad boy" guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral or changes of control and voluntary bankruptcy of the borrower (subject to the applicable cure periods, if any, under the NAV Facility). While this may result in a lower cost of capital for the portfolio company than it may be able to obtain independently, ultimately, the relevant Fund, a borrowing subsidiary or a special purpose vehicle would face direct credit risk.

*Syndications/Joint Ventures.* A Fund is permitted to acquire interests in certain issuers in cooperation with others through syndications, joint ventures, or other structures. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a co-venturer or partner of a Fund may at any time have other business interests and investments other than the joint venture with such Fund, or may have economic or business goals different from those of the Fund. In addition, a Fund may be liable for actions of its co-venturers or partners. A Fund's ability to exercise control or significant influence over management in these cooperative efforts will depend upon the nature of the syndication or joint venture arrangement. Any such arrangements may involve restrictions on the resale of a Fund's interest in the issuer.

*Lack of Diversification.* A Fund's investments will not be broadly diversified. A Fund will concentrate its investments in a small number of investments comprising equity and equity-like securities, together with certain types of debt securities, of companies often engaged in the ownership, operation and development of assets in such Fund's target sectors. A Fund may, therefore, be subject to greater risk of loss than a more broadly diversified fund; the aggregate

return of a Fund may be materially and adversely affected by poor performance of a few or even one investment. Furthermore, a Fund does not have fixed guidelines for sector diversification within the target sectors and investments may be concentrated in only a few sectors. A Fund may also make investments that are not diversified geographically.

*Risks Upon Disposition of Investments.* In connection with the disposition of an investment in a portfolio investment, a Fund may be required to make representations and warranties about the business and financial affairs of such portfolio investment typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations and warranties or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Fund's investors. The applicable Governing Documents contain provisions to the effect that if there is any such claim in respect of a portfolio investment, it will be funded by investors to the extent that they have received distributions from a Fund, subject to certain limitations.

*General Economic Conditions.* General economic conditions may affect a Fund's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Fund or considered for prospective investment.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Ember, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Ember to manage the Funds and their investments, and on the ability of Ember, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to cause a Fund to pay fees and expenses in the event the Fund is not able 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 investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Ember expects to exercise contractual remedies under the 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 or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Ember and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliate(s) (each, a “Custodian”), which heightens the risks associated with a Distress Event with respect to such Custodians. Although Ember seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Ember is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

*Side Letters.* The General Partners and/or the Funds have and expect in the future to enter into Side Letters with one or more limited partner. These Side Letters will entitle a limited partner to make an investment in a Fund on terms other than those described in the applicable Governing Documents. Any such terms, including with respect to (i) economic arrangements (including with respect to Management Fees and carried interest), (ii) opting out of particular investments, (iii) additional or different reporting obligations of a Fund, (iv) transfer to affiliates and other parties, (v) co-investment opportunities, (vi) withdrawal rights, (vii) consent rights to certain Governing Document amendments, (viii) limits on indemnification obligations or (ix) any other matters described therein, will be more favorable than those offered to any other limited partner. If a General Partner and/or a Fund enter into a Side Letter entitling a limited partner to opt out of a particular investment or withdraw from a Fund, any election to opt out or withdraw by such limited partner is expected to increase the pro rata interest of the other limited partner in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal) which will likely have an adverse effect on the investment results of such other limited partners; notwithstanding the foregoing, such an election to opt out or withdraw by a limited partner would not increase the Commitments to a Fund of any of the other limited partners. Other than as set forth in the Governing Documents, none of the General Partners, Ember, the Funds or any of their respective affiliates will, to the fullest extent permitted by applicable law, be required to notify any or all of the other limited partners of any such Side Letters or the terms thereof, nor will they be required to offer such terms to any or all of the other limited partners. A General Partner and/or a Fund are permitted to enter into such Side Letters with any party as such General Partner will determine in its sole discretion at any time. The other limited partners will, to the fullest extent permitted by applicable law, have no recourse against the General Partner, Ember, the limited partners, the relevant Fund or any of their respective affiliates as a result of such Side Letters.

*Potential Regulation of the Private Equity Industry; Legal, Tax and Regulatory Risks.* Legal, tax, and regulatory changes could occur that may adversely affect a Fund at any time during the term of a Fund. The legal, tax, and regulatory environment for funds that invest in alternative investments is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws, and regulations and increased criticism of the private equity and alternative asset industry by some politicians, regulators and market commentators, may

adversely affect the ability of a Fund to pursue its investment strategy and the value of its investments. Recently, there has been significant discussion regarding greater governmental scrutiny and/or potential regulation of the private equity industry, as private equity firms become more significant participants in the broad-based economy. It is in many cases uncertain what form such enhanced scrutiny and/or regulation on the private equity industry ultimately may take and in what jurisdictions such measures may be implemented. Therefore, there can be no assurance as to whether any such regulatory scrutiny or initiatives will have an adverse impact on the private equity industry, including the ability of a Fund to achieve its objectives. There can be no assurance that a Fund, the General Partner and Ember or their affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations. To the extent that a Fund or its portfolio investments are or may become subject to regulation by various agencies, including in Europe or the United States, the costs of compliance will be borne by such Fund.

More generally, there is an increased focus on tax avoidance strategies employed by businesses. There can be no assurance that any such scrutiny, regulation or focus will not have an adverse impact on the Funds' activities, including the ability of a Fund to effectively and timely address new rules and regulations or otherwise execute its investment strategy or achieve its investment objectives. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of the Fund's business, including to establish greater substance in certain jurisdictions in which the relevant Fund invests or proposes to invest, and the Fund may also become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Ember 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 Ember and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear increased and significant costs as a result of such enacted and proposed rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resource 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 and limited partners will not be afforded some or all of the protections provided by such rules.

*Non-U.S. Investments.* A Fund may invest in companies that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.



Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

*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 investments to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This would likely slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn would likely have an adverse effect upon such Fund's portfolio investments.

*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 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 any resulting decline in economic and commercial activity — 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 portfolio investments' 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 the Funds 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 the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio investments 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 portfolio investments, the General Partners and Ember 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.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio investment, Ember is permitted to decide to provide additional funds to such portfolio investment or consider the opportunity to increase its investment in a portfolio investment, 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 investment 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.

*Lack of Unilateral Control.* Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio investment, in certain circumstances it may not have unilateral control of the portfolio investment. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or is subject to terms and conditions imposed by portfolio investment lenders, the relevant portfolio investment 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 relevant Fund or its limited partners. Such third parties may be in a position to take action contrary to a Fund's business, tax or other interests, and a 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 investments in a manner that maximizes or protects value.

*Limited Access to Information.* Limited partners' rights to information regarding a Fund, the relevant General Partner or Ember 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 Ember's control. Decisions by Ember 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 Ember and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's limited partner advisory board 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 Ember reserves the right to withhold certain information from investors subject to such laws for reasons relating to Ember's public reputation, business strategy or other reasons.

*Material, Non-Public Information; Other Regulatory Restrictions.* As a result of the operations of Ember and its affiliates, as well as in connection with officerships or directorships of Ember personnel, Ember frequently comes into possession of confidential or material, non-public information. In the event Ember and its affiliates 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 Ember'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 Ember or a Fund from entering into transactions with certain individuals or jurisdictions. The U.S. 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 Ember'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 Ember 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.

*CFIUS and National Security Clearance Considerations.* Certain investments are expected 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 limited partner advisory board 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 Fund 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.

*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) (a "Sanctions List"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the 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 the Fund's activities, could materially and adversely affect the Funds.

*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. A 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 the 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 Ember 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 a 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.

*Portfolio Company Control Person Liability.* A Fund is expected to have controlling interests in a number of its portfolio companies. The exercise of control over a portfolio company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws and regulations) and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, a Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, the Fund might suffer significant losses. While Ember intends to manage the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims against the Funds and/or their affiliates cannot be precluded.

*Reliance on Management of Portfolio Companies.* While the Funds are expected to invest in certain companies with established operating management in place, there can be no assurance in such circumstances that such management will continue to operate successfully. Although Ember will monitor the performance of each portfolio company, the Funds will rely upon management to operate the portfolio companies on a day-to-day basis.

A Fund may seek certain management rights, including board representation or other management rights, in connection with its investments. However, there is no assurance that these rights, if sought, will be obtained. Furthermore, even in cases where a Fund may have certain rights to be represented on the board of directors (or the equivalent governing body), or to participate in certain significant business decisions or have other management rights in respect of, portfolio companies, the Fund may not have an active role in the day-to-day operations of such portfolio companies. The success or failure of a Fund's investments will depend to a significant extent on the specific management team of the relevant portfolio companies. In addition, a Fund may co-invest with non-affiliated co-investors whose ability to influence the day-to-day management and affairs of the portfolio companies may be significant and even greater than that of the Fund.

*Conflicting Investor Interests.* Limited partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. These conflicting interests may relate or arise from, among other things, the nature of investments made by the Fund, the structuring or the

acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the relevant General Partner, including with respect to the nature or structuring of investments that may be more beneficial for one investor, including the General Partner, than for another investor, especially with respect to investors' individual tax situations. In addition, a Fund may make investments that may have a negative impact on related investments made by the limited partners in separate transactions including co-investments. In selecting, structuring, acquiring and disposing investments appropriate for a Fund, the relevant General Partner will consider the investment and tax objectives of the Fund and the limited partners as a whole (and investors in any other Funds that participate in the same investments as such Fund), not the investment, tax or other objectives of any limited partner or investor individually. In addition, the interests held by a relatively small number of limited partners may be significantly larger than those held by other limited partners, which could have a material impact on the outcome of matters requiring limited partner consent or approval.

*Distributions In-Kind.* Although, under normal circumstances, the Funds intend to make distributions in cash, it is possible that under certain circumstances (including the liquidation of a Fund), distributions may be made in-kind and could consist of securities for which there is no readily available public market or securities of entities unable to meet required interest or sinking fund payments. In such event, there can be no assurance that any limited partner would be able to dispose of such securities at the value determined by the relevant General Partner (which value will be used in determining such General Partner's carried interest). Limited partners may face difficulty liquidating the investments received at a price or within a time period that is determined thereby to be ideal, and significant administrative burden may be involved. If the recipients of such in-kind distributions decide to liquidate the investments within a short period of time, an adverse impact on the price of such investments could result. Limited partners will have no guidance from the relevant Fund or General Partner with respect to disposition of investments distributed in-kind (including as concerns the timing of such disposition). In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located. Furthermore, a General Partner has the ability to receive a distribution in-kind and, depending on the tax and other attributes of the investment, including the holding period thereof and the remaining Fund term, will be incentivized to take such distribution in-kind, while the limited partners receive only cash proceeds. In certain circumstances, a General Partner may wish to hold interests in investments beyond the life of a Fund. This may result in a misalignment of interests between the General Partner and the limited partners as the General Partner will have a continuing interest in the portfolio company and may therefore not be incentivized to achieve the highest sale price for the limited partners.

*Limited Due Diligence.* Pursuant to its investment strategy, a Fund may acquire stakes in target companies without direct discussions with the management of such companies. Therefore, the due diligence information on which such Fund relies may be difficult to obtain, limited in scope or inaccurate. Further, a Fund may invest in companies and infrastructure solutions assets operating in countries where market and financial information is limited. Formal business plans, financial projections and market analyses may not be available. Public information on such potential infrastructure solutions assets of target companies may be difficult to obtain or verify. In addition, a Fund may find it cost-prohibitive to obtain certain information which would be easily obtainable in more developed countries. While a Fund will endeavor to conduct rigorous due diligence on each target company, no assurance can be given that it will obtain the information or

assurances that an investor in a more sophisticated economy would generally expect to obtain before committing to an investment.

*Valuation of Investments.* There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the relevant General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees.

*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 food services and 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, Ember, the relevant General Partner, a Fund and/or its 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 Ember's, the relevant General Partner's, a Fund's, the 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 risk, 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 Ember or one of its service providers holding its financial or investor data, Ember, its affiliates or a Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under Ember'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 in the United States, Europe and other jurisdictions (collectively, “Privacy Laws”) 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 Ember, the General Partners, 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 Ember, 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 similarly 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 Ember, the General Partners, the Funds and/or their portfolio companies.

*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 Ember 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 Ember 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 other rates (each, a "Benchmark Rate"), the 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 Transactions.* There continues to be a significant market for secondary sales, General Partner-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 Ember 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 Ember 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 Ember 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 Ember or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Ember 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, Ember, 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 Ember 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 LP Board of Advisors (as defined below) prior to the closing of the transaction, there can be no assurance that Ember 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, Ember reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

*ESG Matters.* Ember has established an environmental, social and governance (“ESG”) framework, which it intends to apply as applicable to the Funds’ investments, consistent with and subject to its fiduciary duties and applicable legal, regulatory or contractual requirements. Depending on the investment, the impact of developments connected with ESG factors could have a material effect on the return and risk profile of the investment. The act of selecting and evaluating material ESG factors is subjective by nature. Ember expects to be subject to competing demands from different investors and other stakeholder groups with divergent views on ESG matters, including the role of ESG in the investment process, and there is no guarantee that the criteria utilized or judgment exercised by Ember or a third-party ESG adviser will reflect the beliefs or values, internal policies or preferred practices of any particular limited partner or other asset managers or reflect market trends. Considering ESG factors when evaluating an investment in certain circumstances may, to the extent material risks associated with an investment are identified, cause a General Partner not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of such consideration, which carries the risk that a Fund may perform differently than investment funds that do not take ESG factors into account. Additionally, ESG factors are only some of the many factors that a General Partner expects to consider in making an investment. Although Ember considers the application of its ESG framework to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Ember cannot guarantee that its ESG framework, which depends in part on qualitative judgments, will positively impact the performance of any individual investment or a Fund as a whole. Similarly, to the extent a General Partner or a third-party ESG adviser engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the performance of the related investment. Successful engagement efforts on the part of

a General Partner or a third-party ESG advisor will depend on the relevant General Partner's skill in properly identifying and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful.

The materiality of ESG risks and impacts on an individual asset or issuer and on a portfolio as a whole depends on many factors, including the relevant industry, location, asset class and investment style. ESG factors, issues, and considerations do not apply in every instance or with respect to each investment held, or proposed to be made, by a Fund, and will vary greatly based on numerous criteria, including, but not limited to, location, industry, investment strategy, and issuer-specific and investment-specific characteristics. In evaluating a prospective investment, a General Partner often depends upon information and data provided by the entity or obtained via third-party reporting or advisors, which may be incomplete or inaccurate and could cause the General Partner to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities. A General Partner does not intend to independently verify certain of the ESG information reported by investments of the Fund, and is permitted to decide in its discretion not to utilize, report on, or consider certain information provided by such investments. Any ESG reporting will be provided in the relevant General Partner's sole discretion.

In addition, Ember's ESG framework, including Ember's Impact & Environmental, Social and Governance (ESG) policy and associated procedures and practices, is expected to change over time. Ember is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations. It is also possible that market dynamics or other factors will make it impractical, inadvisable or impossible for a General Partner to adhere to all elements of a Fund's investment strategy, including with respect to ESG risk and opportunity management and impact, whether with respect to one or more individual investments or to the Fund's portfolio generally. ESG-related statements, initiatives and goals are aspirational and not guarantees or promises that all or any such initiatives and goals will be achieved.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different principles, frameworks, methodologies and tracking tools being implemented by asset managers, and Ember's adoption of and adherence to such principles, frameworks, methodologies and tools are expected to vary over time. For example, Ember's ESG framework does not represent a universally recognized standard for assessing ESG considerations. Ember is currently a signatory to the United Nations' Principles for Responsible Investment and a member of Global Real Estate Sustainability Benchmark (GRESB) and the Intentional Endowments Network. These initiatives may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. There is no guarantee that Ember will remain a signatory, supporter or member of these initiatives or other similar industry frameworks.

*ESG-Related Regulatory Developments.* There is growing regulatory interest, particularly in the U.S., the UK, and European Union ("EU") (which may be looked to as models in growth markets), in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. For example, on May 25, 2022, the SEC proposed amendments to rules and reporting forms concerning ESG factors, which rules are not in final form and therefore cannot be determined as

to how they may affect the Funds. There may also be an increase in related enforcement through efforts such as those of the SEC’s Climate and ESG Enforcement Task Force, established in March 2021. The European Securities and Markets Authority (“ESMA”) also published its Sustainable Finance Roadmap for 2022 to 2024 in February 2022 which sets the priority areas for enforcement and specifies that tackling greenwashing and promoting transparency together constitute one of ESMA’s three priorities for its sustainable finance work over that period. Conversely, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted “anti-ESG” policies, legislation or initiatives or issued related legal opinions. Additionally, asset managers have been subject to recent scrutiny related to ESG-focused industry working groups, initiatives, and associations, including organizations advancing action to address climate change or climate-related risk. Such anti-ESG-related policies, legislation, initiatives and scrutiny could expose Ember to the risk of antitrust investigations or challenges and enforcement by state or federal authorities, result in penalties and reputational harm and require certain investors to divest or discourage certain investors from investing in the Funds. Ember’s ESG program could become subject to additional regulation, penalties and/or risk of regulatory scrutiny and enforcement in the future, and Ember cannot guarantee that its current approach (including Ember’s ESG policy) or the Funds’ investments will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements may lead to increased management burdens and costs.

### ***Risks Relating to Target Sector Assets***

*Weather and Climatological Risks.* Certain portfolio investments are expected to be particularly sensitive to weather and climate conditions, including risks related to the impact of climate-related legislation and regulation (both domestically and internationally), risks related to climate-related business trends, and risks stemming from the physical impacts of climate change, such as the increasing frequency or severity of extreme weather events. For example, companies focused on certain types of biomass rely on the production of crops, which can be adversely affected by droughts and other weather conditions. Additionally, the Paris Agreement and other regulatory and voluntary initiatives launched by international, federal, state and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas (“GHG”) emissions may expose certain portfolio companies 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 GHG emissions, that could result in increased costs or changes in business operations), (ii) regulatory and litigation risks (e.g., changing legal requirements that could result in increased permitting, tax and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to impacts related to climate change), (iii) technology and market risks (e.g., declining market for assets, products and services seen as GHG intensive or less effective than alternatives in reducing GHG emissions) and (iv) reputational risks (e.g., risks tied to changing investor, customer or community perceptions of an asset’s relative contribution to GHG emissions). Ember 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 or the effective management of investments once undertaken, any of which could have a material adverse effect on an investment or the Funds.

*Environmental Risks.* Portfolio investments will likely be subject to numerous statutes, rules and regulations relating to environmental protection that affect the operations of infrastructure solutions projects. The Funds are permitted to invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements, and there can be no assurance that all costs and risks regarding compliance with environmental laws and regulations can be identified. Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability, whether or not the owner or operator knew of or was responsible for the presence of hazardous materials. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, joint and several obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted or where materials were disposed of. In addition, clean-up liabilities can arise under environmental laws and regulations, including on a strict, joint and several basis, which presents a risk of a portfolio company paying for more than its fair share of clean-up costs associated with a contaminated property. For example, a Fund may have such potential liability under the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, as a current or former owner or operator of a facility at which hazardous substances have been released and/or as a generator or transporter of hazardous substances disposed of at other locations. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments. Required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. Compliance with such current or future environmental requirements does not ensure that the operations of the portfolio companies will not cause injury to the environment or to people under all circumstances or that the portfolio companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a detrimental impact on the financial performance of infrastructure solutions projects. There can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of portfolio companies could also result in material personal injury or property damage or similar claims by private parties. While Ember is seeking to acquire assets that do not present a material risk of environmental liabilities, such liabilities may arise as a result of a large number of factors, including changes in laws or regulations and the existence of conditions that were unknown at the time of acquisition or operation. Any noncompliance with these laws and regulations could subject the Funds and their investments to material penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as a Fund) subject to environmental liability.

In addition, ordinary operation or the occurrence of an accident with respect to an infrastructure solutions asset could cause major environmental damage, which may result in significant financial distress to such asset if not covered by insurance, and, even if covered by insurance, may have a detrimental effect on the applicable portfolio company and/or applicable Fund, resulting from adverse publicity related to such an incident and other similar results. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Furthermore, the Funds may be exposed to substantial risk of loss from environmental claims arising from certain of their investments involving undisclosed or unknown environmental, health or other problems or inadequate reserves or insurance for previously identified matters, as well as from occupational safety issues and concerns. Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination. Under certain circumstances, U.S. courts have held that a parent company is responsible for the environmental clean-up obligations of its subsidiary imposed by applicable laws. In the event that a Fund is the parent of a portfolio company with such obligations, a U.S. court or a court of any other applicable jurisdiction might find that the relevant Fund is liable for such obligations. Environmental claims with respect to a specific investment may exceed the value of such investment. Moreover, community and environmental groups may protest the development or operation of infrastructure solutions assets which may induce government action to the detriment of the Funds. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect companies in the energy sector.

*Inflation Risk.* If a portfolio investment is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Many of the portfolio investments may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio investment may earn more revenue but may incur higher expenses. As inflation declines, a portfolio investment may not be able to reduce expenses commensurate with any resulting reduction in revenue. Inflationary expectations or periods of rising inflation could also be accompanied by the rising prices of commodities which are critical to the operation of portfolio investments.

*Construction Risks.* In connection with any development project, expansion of a facility or acquisition of a facility in late-stage development, a portfolio investment may face construction risks, including, without limitation, (i) political opposition, regulatory and permitting delays, (ii) labor disputes, lawsuits and other disputes, (iii) shortages of material and skilled labor or work stoppages, (iv) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (v) delays in procuring real property rights, (vi) failure by one or more of the project participants to perform in a timely manner (or at all) its or their contractual, financial or other commitments, (vii) less than optimal coordination with public utilities in the relocation of their facilities, (viii) adverse weather conditions and unexpected construction conditions, (ix) accidents or the breakdown or failure of construction equipment or processes, and (x) environmental issues and catastrophic events such as explosions, fires and terrorist activities

and other similar events beyond a Fund's control. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on a Fund and on the amount of funds available for distribution to limited partners. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor, and building material costs in excess of expectations and unanticipated problems with project start-up. Such unexpected increases may result in increased debt service costs and funds being insufficient to complete construction. Such increases may also result in the inability of project owners to meet the higher interest and principal payments arising from the additional debt required. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs and insufficient funds to complete construction. Delays may also result in an adverse effect on the scheduled flow of project revenues necessary to cover the scheduled operations phase debt service costs, lost opportunities, increased operations and maintenance expenses, and damage payments for late delivery. Portfolio investments under development or portfolio investments acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced. In addition, there are risks inherent in the construction work that may give rise to claims or demands against a portfolio investment from time-to-time.

*Operating and Technical Risk.* The long-term profitability of portfolio investments is partly dependent upon the efficient operation and maintenance of the assets and companies. Inefficient operation and maintenance may reduce the profitability of a Fund's investment, adversely affecting the Fund's financial returns. Investments in assets in a Fund's target sectors may be subject to operating and technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications, labor strikes, labor disputes, work stoppages and other work interruptions, counterparty nonperformance, the need to comply with the directives of government authorities, political or local opposition, technical obsolescence, increasing fuel prices, structural failures and accidents, environmental related issues, and other unanticipated events which adversely affect operations. Optional or mandatory improvements, upgrades or rehabilitation of infrastructure solutions assets may cause delays or result in closures or other disruptions subjecting a portfolio company to various risks including lower revenues. While a Fund will, where possible, seek investments in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations. An operating failure may lead to loss of a license, concession or contract on which a portfolio investment is dependent. In addition, despite proper operation and maintenance, an investment may be vulnerable to a force majeure event, and the damage caused by such an event may adversely affect a party's ability to perform its obligations until it is able to remedy the damage. For example, some investments may be located in earthquake zones or be subject to risks associated with adverse weather conditions, natural disasters (such as fire, hurricanes, tornadoes, tsunamis, windstorms or floods), man-made disasters, changes in law, eminent domain, war, riots, terrorist attacks, labor disputes and other unforeseen circumstances and incidents. Operational disruption, as well as supply disruption, could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result

in permanent loss of customers, substantial litigation or penalties for regulatory or contractual noncompliance. Insurance coverage of such risks may be limited, subject to large deductibles or completely unavailable, and the applicable General Partner will determine in its discretion whether to seek insurance coverage of, or seek alternative ways to manage or mitigate, such risks.

*Documentation Risks.* Many of a Fund's portfolio investments will be governed by highly complex legal contracts and documents. As a result, the risks of a dispute over interpretation or enforceability of the legal contracts and documentation and consequent costs and delays may be higher than for other types of investments.

*Regulatory Risks.* Many of a Fund's target sectors are subject to governmental regulation, and governments have considerable discretion in implementing regulations that could impact the business of the investments. In addition, the operations of portfolio investments may rely on government permits, licenses, concessions, leases or contracts. The nature of these obligations and dependencies expose the owners of infrastructure solutions assets to a higher level of regulatory control than typically imposed on other businesses, resulting in government entities having significant influence over such owners and companies.

In addition, governmental entities may exercise their discretion to change or increase regulation of the operations of portfolio companies or to implement laws, regulations or policies affecting their operations, separate from any contractual rights that the government counterparties may have, in a manner that causes delays or adversely affects the operation of the business of such portfolio companies and/or a Fund's ability to effectively achieve its investment objectives. Moreover, governmental entities may be influenced by political (rather than just economic) considerations when exercising such discretion.

Certain portfolio investments may need to use public ways or may operate under easements. Under the terms of agreements governing the use of public ways or easements, government authorities may retain the right to restrict the use of such public ways or easements or to require portfolio investments to remove, modify, replace or relocate their facilities at the portfolio investment's expense. If a government authority exercises these rights, the portfolio investment could incur significant costs and its ability to provide service to its customers could be disrupted, which could adversely impact the performance of the relevant investment.

Ember anticipates that a Fund will invest predominantly in unlisted companies. There can be no assurance that any issuer is, and will continue to be, fully compliant with all necessary regulations. This risk is more significant in the case of unlisted companies than listed companies. Additionally, unlisted companies are not regulated by equivalent levels of disclosure and investment protection regulations that apply to listed companies. Also, changes in regulatory conditions may adversely affect the marketability and financial performance of certain investments, which in turn may affect the distributions which a Fund receives from such investments.

*Contract Risk.* To the extent that a Fund invests in assets that are governed by lease or concession agreements with governmental authorities, there is a risk that these authorities may not be able to honor their obligations under the agreement, especially over the long term. Such lease or concession agreements may also contain clauses more favorable to the governmental



counterparty than a typical commercial contract and may restrict a Fund's ability to operate the investment in a way that maximizes cash flows and profitability. For instance, such lease or concession agreements may include termination clauses permitting a governmental authority to terminate the agreement under certain circumstances without payment of adequate compensation. Furthermore, governmental authorities have considerable discretion in implementing regulations that could impact these businesses, and because assets in the Funds' target sectors provide basic, everyday services, and face limited competition, governments may be influenced by political considerations and may make decisions that adversely affect a Fund's investments.

*Certain Restrictions on Ownership.* Applicable regulations regarding critical infrastructure investments in the United States may require that a General Partner restrict the percentage of such infrastructure investments that can be owned (directly or indirectly) by non-U.S. investors. If non-U.S. ownership interests in such infrastructure assets were restricted by applicable law and such limitations could not be addressed by insulating non-U.S. investors, then the General Partner may be required to impose additional restrictions on transfers to prevent the percentage of non-U.S. investors in certain assets of a Fund from exceeding such restrictions and could result in a Fund excluding (in whole or in part) the participation of certain limited partners in any such transaction.

*Commodity Risk.* A Fund is permitted to invest in businesses and assets that are subject to commodity price risk, including, without limitation, the price of electricity. These market prices may fluctuate materially depending upon a wide variety of factors, including, without limitation, weather conditions, foreign and domestic market supply and demand, force majeure events, changes in law, governmental regulations, price and overall economic conditions.

*Platform Investments.* A Fund is permitted to recruit a management team to pursue a new "platform" opportunity expected to lead to the formation of a future portfolio company. In other cases, a Fund is permitted to form a new portfolio company and recruit a management team to build the portfolio company through acquisitions and organic growth. In both cases, a Fund will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the platform company. Such expenses may be borne directly by the relevant Fund as Fund expenses (or Broken Deal Expenses, if applicable) or indirectly as the Fund bears the start-up and ongoing expenses of the newly formed platform portfolio company. In certain cases, the services provided by a management team may overlap with the services provided by the General Partner to the Fund. The compensation of management of a platform portfolio company may include interests in the profits of the portfolio company, including profits realized in connection with the disposition of a portfolio company. Although a platform portfolio company may be controlled by a Fund, members of a management team will not be treated as affiliates of the General Partner for purposes of the relevant Governing Documents. Accordingly, none of the expenses described above will offset the Management Fee.

*Reliance on Third-Party Projects.* A Fund is permitted to invest in portfolio companies that are directly or indirectly dependent on the completion, operation and/or performance of other third party-managed projects, including in the supply or development chain, such as transportation, power transmission, and/or pipeline projects ("Other Projects"), over which Ember has no involvement, influence or control. Such dependence on third parties presents risks, including that third parties may be unable (or delayed as they seek) to procure necessary permits or governmental

approvals for the Other Projects, or that the other projects otherwise will be unsuccessful or not completed within their expected timeframe or at all based on one more of the risk factors set forth herein. Delays with respect to Other Projects, or the inability of third parties to successfully complete and operate Other Projects upon which a portfolio company is dependent will negatively impact the ability of the portfolio company to perform as anticipated at the time of the relevant Fund's investment, and likely will result in losses to such portfolio company, and therefore negatively impact a Fund's returns.

*Investments in Smaller or Less Established Companies; Growth Investments.* A Fund is authorized to invest all or a portion of its assets in the securities of smaller or less established companies including early-stage companies. Investments in such smaller or less established companies involve greater risks than those generally are associated with investments in larger or more established companies. Such companies are typically subject to a greater degree of change in earnings and business prospects than companies with larger market capitalizations. In addition, such securities typically trade in lower volume and are more volatile than the securities of companies with larger market capitalizations. To the extent there is any public market for the securities held by the relevant Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Smaller or less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Investments in smaller or less established companies could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which a Fund invests, the Fund may suffer a partial or total loss of capital invested in that company. Some of the investments permitted to be made by a Fund could be considered highly speculative and may result in the loss of the Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the Fund's other investments. Furthermore, smaller or less established companies may not have the operating history that would allow the relevant General Partner to make objective pricing decisions in acquiring these companies, and the purchase prices of these companies are expected to be based upon projections as to the expected operating results of such companies, subjecting the Fund to risks that such companies may not achieve anticipated operating results or may not achieve these results within anticipated time frames. Additionally, such smaller or less established companies can carry an increased risk of litigation.

Further, the objectives and markets of such companies may not develop as anticipated, even after substantial expenditures of capital, which may result in a Fund holding the related investment for a longer period than would usually be expected with respect to a typical private equity investment, and such investments can experience failure or substantial declines in value at any stage. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, better brand recognition, more extensive development, manufacturing, marketing, and service capabilities, and a greater number of qualified managerial and technical personnel. Although a representative of the relevant General Partner may serve on the board of a company, each company will be managed by its own officers (who generally will not be affiliated with the relevant Fund or Ember). A Fund may hold minority

interests in certain of the companies it invests in, so may have limited influence over such companies and their management teams.

*LP Board of Advisors.* A General Partner will appoint one or more limited partner representatives to a board of advisors (“LP Board of Advisors”), which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required or may be requested in certain circumstances under the Governing Documents, including certain approvals or consents required by U.S. federal securities laws. Pursuant to the terms of the relevant Governing Documents, all limited partners are bound by the determinations of the LP Board of Advisors, regardless of whether a limited partner is represented by a member of the LP Board of Advisors. A Fund’s Governing Documents will provide that to the fullest extent permitted by applicable law, none of the LP Board of Advisors members shall owe any fiduciary duties to the relevant Fund, any limited partner or any other member of the LP Board of Advisors, or be obligated to act in the interests of the relevant Fund, or the limited partners. In addition, representatives of the LP Board of Advisors may have various business and other relationships with Ember and its partners, employees and affiliates. Any such relationships could influence their decisions as members of the relevant LP Board of Advisors.

There is often significant overlap between the members of the LP Board of Advisors of a Fund and the members of the LP Boards of Advisors of other Funds. Such overlapping board of advisors members are not precluded from participating in discussions with respect to, or from voting on, such transactions that involve potential conflict of interests, including between a Fund and such other Funds.

*Social Media and Publicity Risk.* The risk 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 Ember, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

## **Conflicts of Interest**

Ember 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. Ember 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 Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Ember conducting its activities, the interests of a Fund likely will conflict with the interests of Ember, 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, Ember 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 LP Board of Advisors of the participating Funds.

During the Commitment Period of a Fund, all appropriate investment opportunities will be pursued by Ember principals through such Fund, subject to certain limited exceptions set forth in the Governing Documents and Ember's policies and procedures. Without limitation, Ember principals 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. Ember 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 these arrangements. Ember's principals and Ember's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Ember principals expect to control or manage generally have the potential to compete with companies acquired by a Fund. Following the Commitment Period of a Fund, Ember 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 Ember's sole discretion, Ember 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, Ember personnel are permitted to serve on boards or act in other roles unaffiliated with Ember, 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.

Ember 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 Ember. In determining which investment vehicles should participate in such investment opportunities, Ember and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, Ember is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Ember in a portfolio company also have the potential to raise the risk of using assets of a client of Ember to support positions taken by other clients of Ember.

Ember must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Ember generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the Governing Documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. 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 affiliate of Ember in the manner set forth in the Governing Documents and Ember's policies and procedures, as amended from time-to-time. Ember 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 Ember's obligations and reserves the right to take into consideration factors such as those set forth above. In other circumstances, during the period in which a portfolio company is owned by a Fund, it could develop size, revenue, earnings,

change in business focus or other characteristics that would make it a suitable investment for one or more other Funds.

Following such determination of allocation among Funds, Ember 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 Ember reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Governing Documents, Side Letters and Ember's policies and procedures, as amended from time-to-time. Ember's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the geographic location, market or industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; Ember's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Ember's ability to execute the relevant transaction in the desired time or on desired terms; Ember's pre-existing relationship with the prospective co-investor; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; and whether Ember believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds or Ember. Although Ember 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 Ember in identifying co-investors. Additionally, Ember reserves the right to permit Consultants, vendors or service providers to co-invest alongside the Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. The General Partners reserve the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, Ember 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 lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund 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 Ember 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 Ember and its affiliates make capital investments in or alongside certain Funds, Ember and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Ember'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 Ember will allocate investment opportunities in a manner that it believes 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 Ember expects to be subject, discussed herein, did not exist.

In certain cases, Ember will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees (including investors in one or more Funds or persons that are not investors, but may in the future invest, in any Fund) of interests in a Fund. In such cases, Ember will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Documents, 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.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring, may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Ember in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Ember expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Ember expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Ember may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Ember intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

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. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. 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. Ember and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. 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 Governing Documents, Ember will allocate fees and expenses in a manner that it believes 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, Ember 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 generally will be made by Ember or its affiliates using their reasonable 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 greater benefit to a Fund or Ember. Further, Ember reserves the right to consider each relevant Fund's strategy as a component of its allocation of investment expenses.

As a result of the Funds' controlling interests in portfolio companies, Ember and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Ember 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 Ember and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Ember.

Additionally, a portfolio company typically will reimburse Ember or service providers retained at Ember's discretion for expenses (including, without limitation, travel expenses) incurred by Ember 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 services performed by Ember personnel. This subjects Ember 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. Ember determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices and the relevant Governing Documents.

In connection with its services to the Funds and their investments, Ember, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Ember's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Ember 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, "Ember Information"). In many cases, Ember Information will include tools,



procedures and resources developed by Ember to organize or systematize Ember Information for ongoing or future use. Although Ember expects its Funds and their portfolio companies generally to benefit from Ember's possession of Ember Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Ember and its personnel) and not by the Fund or portfolio company from which Ember Information was originally received. Ember Information will be the sole intellectual property of Ember and solely for the use of Ember. Ember reserves the right to use, share, license, sell or monetize Ember 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.

A General Partner and its affiliates are permitted to engage in transactions with prospective and actual investors and co-investors that entail business benefits to such investors. Such transactions can potentially be entered into prior to or coincide with an investor's admission to a Fund (or commitment to co-invest) or during the term of its investment. The nature of such transactions can be diverse and may include benefits relating to such Fund, any other Fund, and their respective portfolio companies. Examples include the ability to co-invest alongside any other Fund, investments in any other Fund, sales of companies to limited partners and recommendations to underwriters for allocations in initial public offerings or loans to co-investors (or joint venture partners) by Ember or another Fund. Investing in a Fund does not give limited partners access to any such transactions. In addition, Ember may have an incentive to cause a portfolio company to favor certain limited partners relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability and, in turn, a Fund's returns.

Ember 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) Ember or a related person of Ember (which is permitted to include a portfolio company of such Fund); (ii) an entity with which Ember or its affiliates or current or former members of their personnel has a relationship or from which Ember or its affiliates or current or former personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Ember personnel are seconded, or from which Ember receives secondees; or (iii) certain limited partners or their affiliates. For example, Ember 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 Ember to conflicts of interest, because, although Ember 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, Ember 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 Ember,

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 Ember), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Ember will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Ember 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 Ember commits or has committed to seek “market” or “arms-length” rates or terms, Ember 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. Ember 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, Ember 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, geographies, services or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Ember 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 Ember 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 lesser cost.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to, and reimburse expenses of, Consultants (including consultants introduced or arranged by Ember and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset or reduce the Management Fee as described herein. Ember 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. Consultants are expected to include former personnel of Ember or certain portfolio companies, and in some circumstances former Consultants are expected to become Ember employees or employees of portfolio companies. Consequently, the determination of whether individuals are Consultants is expected to vary and/or be revisited. Consultants 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 Consultants is expected to fluctuate and/or expand over time. To the extent that Consultants 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 Consultant’s services at a time when fewer portfolio companies or Funds make use of such Consultant. Under many of these arrangements, including where Consultants 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 Consultants. Although the use of Consultants and the allocation of compensation paid to them by Ember, its affiliates and/or the portfolio companies subjects Ember and/or its affiliates to potential conflicts of interest, Ember believes that such potential conflicts have the potential 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 Consultant

is lower than market rates for the services provided and/or if the services of the Consultant align with Ember's model for the portfolio company and improve portfolio company performance. Although Ember seeks to retain Consultants 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. Ember also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Ember believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Consultants 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.

Senior Advisors and Operating Partners are permitted to receive annual retainer fees for general advisory services, which shall be paid by Ember. Ember and its affiliates reserve the right to retain Senior Advisors and/or Operating Partners to provide additional assistance with deal sourcing, industry insight, due diligence and financial and structuring matters and to perform other services for a Fund or a portfolio company, including on an exclusive basis. Additional fees or compensation (including any retainer fees, incentive equity or other stock awards) may be paid to a Senior Advisor or an Operating Partner in recognition of the additional services provided by such Senior Advisor or Operating Partner to a Fund or a portfolio company. The applicable Fund's share of any such additional fees or compensation paid to Senior Advisors or Operating Partners will be borne by the Fund and/or will be allocated to a portfolio company (whether paid by the applicable Fund directly, by a portfolio company or by Ember and subsequently reimbursed by the Fund or a portfolio company). In addition to such fees, the Fund will also generally bear its share of any travel costs or other out-of-pocket expenses incurred by Senior Advisors in connection with the provision of their services, including any expenses incurred in attending meetings of any outside advisory council. Office, accounting, network, administration and other support benefits may be provided by Ember to Senior Advisors or Operating Partners without charge. Fees, expenses and other amounts paid or received by Senior Advisors or Operating Partners in connection with their services, including amounts in connection with particular transactions or investments, will not be considered fee income and consequently will not reduce the Management Fee otherwise payable by the applicable Fund to Ember.

Ember has engaged the Engineering Consultant, a third-party engineering consulting firm, primarily to provide the Funds with services with respect to, among other things, due diligence, monitoring and other similar services in connection with portfolio companies and prospective portfolio companies. Any compensation, including any fees, incentive equity or other stock awards, and any reimbursement of certain travel and other costs, received by the Engineering Consultant or its employees or other personnel will likely be paid by a portfolio company or prospective portfolio company or directly by the applicable Fund. No such compensation or reimbursement will reduce Management Fees paid by a Fund.

Ember 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 Ember, 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 Ember or its affiliates to realized 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 Governing Documents or otherwise in the sole discretion of Ember, Ember reserves the right to seek to mitigate such conflicts by seeking input from 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 Ember) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's LP Board of Advisors) to such transactions. Ember reserves the right to determine that the willingness of a third party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). Ember intends that any such transactions be conducted in a manner that it believes 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 Ember generally will not seek a fairness opinion or LP Board of Advisors 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.

Ember and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Ember and/or its affiliates; conversely, former personnel or executives of Ember and/or its affiliates are expected to serve in significant management roles at portfolio companies or service providers recommended by Ember. Similarly, Ember, its affiliates and/or personnel maintain relationships with (or 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 personnel, 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, Ember 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 Ember entities, whether or not relating to financing Ember personnel obligations to fund General Partner commitment obligations) to Ember personnel and their estate planning vehicles. Ember 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 Ember information about markets and industries in which Ember operates (or is contemplating operations) or will provide other services that are beneficial to Ember or one or more other Funds. Ember expects to be subject to a potential conflict of interest in making such recommendations, in that Ember has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Ember, its affiliates, and equity holders, officers, principals and employees of Ember and its affiliates reserve the right to buy or sell securities or other instruments that Ember has recommended to a Fund. In addition, officers, principals and employees 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. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Ember's Code of Ethics, as amended and in effect from time to time. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Ember 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.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Ember deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Except to the extent prohibited by the Governing Documents, Ember 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, accounts or special purpose acquisition companies 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 and anti-“assignment” provisions of the Advisers Act, Ember and its personnel are also permitted to offer, restructure and monetize interests in Ember.

Certain Governing Documents permit Ember, the relevant General Partner and/or certain of their affiliates to make certain interim contributions to a Fund in anticipation of an upcoming investment or payment by such Fund, pending receipt of capital contributions in an equal amount from the limited partners, the proceeds of which would be distributed to the General Partner or other applicable affiliate as a return of such interim contribution, with an interest charge. Such arrangements create potential conflicts of interest between Ember, the General Partner or affiliate and the applicable Fund, in its capacity as borrower.

Because there is a fixed Commitment 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 Ember may not otherwise have done so.

The Governing Documents provide Ember 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 Ember’s compensation. In making such determinations, Ember is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for Ember or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund’s Management Fee and carried interest compensation arrangements. Ember expects to be incentivized to cause a Fund to make investments and hold on to 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 than would otherwise be the case if such investments had not been made or held (or if such determination had not been made), including because of the possibility that the investments’ values will appreciate in the future.

Where the Management Fee is calculated taking into account the valuation of an investment, Ember 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, Ember expects to be incentivized to pursue such transactions. 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.

The Governing Documents provide Ember with 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 limited partner 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 a 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 Ember'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 Ember 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 Ember is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. Additionally, Ember, its personnel, affiliates or others designated by Ember 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 Governing Documents are applied (based on the net cash proceeds thereof as and when received), Ember 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 Ember) 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 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, Ember reserves the right to accrue, defer or forego payments of Supplemental Fees. 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.

Ember 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 (including discounted or rebated compensation terms, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Governing

Documents), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's LP Board of Advisors, liquidity or transfer rights, modified waterfall mechanics and/or receipt of a portion of a General Partner's compensation, confidentiality protections and disclosure rights, modification of default remedies or economic, procedural and other terms. Side Letters also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by Governing Documents, 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, 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. Side Letters subject Ember to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's LP Board of Advisors results in the investor receiving additional information relative to other investors. 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.

Ember 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 Ember, 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 Ember, 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 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, Ember, 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. Side Letters subject Ember to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's LP Board of Advisors results in the investor receiving additional information relative to other investors. 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 tax, regulatory or other factors altering or limiting their participation in investments or the ability to bear certain liabilities obligations, the aggregate returns realized by participating and 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. In addition, such excuse rights could motivate Ember to avoid certain investments, which could narrow the potential pool of investment opportunities. Although Ember 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.

Ember expects that it may institute a program under which portfolio companies owned by the Funds participate in purchasing, vendor or similar arrangements with Ember, its affiliates and other portfolio companies. Program participants would expect to receive discounts negotiated with various vendors and service providers on a group-wide basis. Ember would allocate fees and any third-party administration costs for the program among the participating entities. It is possible that Ember and its affiliates also would participate in the program, including in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will result in additional offsets to Management Fees. Ember believes the potential for conflicts relating to any such arrangements will be mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund) that will result if the negotiated discounts rates for goods and services are discounted relative to those widely available in the market.

Ember has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Ember has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. From time-to-time Ember, its affiliates and personnel and persons selected by them expect to receive the benefit of "friends and family" and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than Ember and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, Ember believes that the potential for conflicts of interest relating to such discounts is mitigated. Ember, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. Discounted prices or better terms offered by a portfolio company to Ember, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, Ember 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 Ember 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 Ember's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects Ember and/or its affiliates to potential conflicts of interest. Ember attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Ember'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 manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Ember will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Ember consults and receives consent to conflicts from an LP Board of Advisors consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

#### **DISCIPLINARY INFORMATION**

Ember and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Ember is affiliated with the General Partners and equivalent entities formed and subject to the Advisers Act pursuant to Ember's registration in accordance with SEC guidance. These entities operate as a single advisory business together with Ember and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

#### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Ember's compliance manual includes its Code of Ethics as well as its securities trading policy and procedures (the "Code"), which sets forth standards of conduct that are expected of Ember principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Ember personnel to report their personal securities transactions, prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Ember personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Ember Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Peter Milligan, the Ember Chief Compliance Officer, at +1-646-374-3921. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Ember 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, Ember 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 Ember.

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

Principals and employees of Ember and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Ember, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

Ember and its affiliates, principals and employees 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. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents. Similarly, Ember or an affiliate is authorized to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund.

In borrowing on behalf of a Fund, Ember is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the 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 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 called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. In addition, when the Management Fee is 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.

Ember will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

Although Ember generally structures the Funds to avoid cross-guarantees and other circumstances in which a Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances counterparties, lenders and/or other market parties negotiate for the right to face only select fund entities, which may result in (i) a Fund being solely liable for other Funds' share (including co-investors) of the relevant obligation and/or joint and several liability among Funds (including such Fund) and/or (ii) a Fund and any such other Ember Fund being jointly and severally liable for the full amount of such applicable obligation. In such case, Ember 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 participants 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 an affiliate of Ember 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 an affiliate of Ember, whether or not related to the Fund in which such limited partners have invested. Furthermore, as a result of the incurrence of indebtedness on a joint and several or cross-collateralized basis, a Fund may be required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such vehicles are unable to repay their pro rata share of such indebtedness. In such an event, a Fund may violate its borrowing limitation, if any, under the relevant Governing Documents due to such additional contribution, and such Fund's exposure to indebtedness will become more concentrated with respect to such investment than initially expected.

## **BROKERAGE PRACTICES**

Ember focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Ember reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Ember does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Ember sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Ember. In such event, Ember will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Ember reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

Ember has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Ember generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Ember seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Ember generally does not make use of such services at the current time and has not made use of such services since its inception.

## **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Ember monitors companies in which the Funds invest, and the Ember Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (a) audited annual financial statements of the Fund; (b) unaudited quarterly financial statements of the Fund; (c) quarterly descriptive investment information for each portfolio company; and (d) annual tax information for the completion of income tax returns. In addition, the General Partner will organize an annual information meeting for the limited partners.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Ember reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by Ember in a manner described in the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

## **CUSTODY**

Ember generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “Custody Rule”)) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and currently maintains such assets with the following qualified custodians: First Citizens Bank & Trust Company.

## **INVESTMENT DISCRETION**

Ember has discretionary authority to manage investments on behalf of each Fund. As a general policy, Ember does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Ember and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner’s investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Ember assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund.

## **VOTING CLIENT SECURITIES**

Ember has adopted a Proxy Voting Policies and Procedures (the “Proxy Policy”) to address how it will vote proxies, as applicable, for the Funds’ (and any Fund’s) portfolio investments. The Proxy Policy seeks to ensure that Ember votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Ember generally believes its interests are aligned with those of each Fund’s investors, for example, through the principals’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Ember may address the conflict using several alternatives, including those set forth in the Proxy Policy. Additionally, a Fund’s LP Board of Advisors is authorized to approve Ember’s vote in a particular solicitation. Ember does not consider service on portfolio company boards by Ember personnel or Ember’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy will set forth certain specific proxy voting guidelines followed by Ember when voting proxies on behalf of a Fund. Clients or investors that would like a copy of Ember’s complete Proxy Policy or information regarding how Ember voted proxies for particular portfolio companies may contact Peter Milligan, the Ember Chief Compliance Officer, at 1-646-374-3921, and it will be provided at no charge.

## **FINANCIAL INFORMATION**

Ember does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.