

## **Form ADV Part 2A**

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

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March 31, 2021

**This brochure provides information about the qualifications and business practices of Greenbriar Equity Group, L.P. If you have any questions about the contents of this brochure, please contact us at 914-925-9600 or at [info@greenbriarequity.com](mailto:info@greenbriarequity.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

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

**We refer to ourselves as a “registered investment adviser.” Registration does not imply a certain level of skill or training.**

## **Item 2. Material Changes**

This amendment to the brochure, dated March 31, 2021, contains the following material changes from Greenbriar's last update, which was submitted on December 11, 2020

- Changes relating to Greenbriar's practices and related conflicts of interest under "Advisory Business", "Fees and Compensation", "Performance-Based Fees and Side-By-Side Management", "Methods of Analysis, Investment Strategies and Risk of Loss" and "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading".

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## **Item 4. Advisory Business**

Greenbriar Equity Group, L.P. (formerly Greenbriar Equity Group, LLC) (“Greenbriar,” “us,” “we,” and “our”), was formed as a Delaware limited liability company in 1999 by principal owners Joel S. Beckman, Gerald Greenwald and Reginald L. Jones, III, and converted to a Delaware limited partnership in 2018. As of March 31, 2021, Reginald L. Jones, III, Jill Raker and Noah Roy are Greenbriar’s Managing Partners (“Managing Partners”) for Greenbriar Equity Fund III, L.P. (“Fund III”), Greenbriar Equity Fund III-A, L.P. (“Fund III-A”), Greenbriar Equity Fund IV, L.P. (“Fund IV”), Greenbriar Equity Fund IV-A, L.P. (“Fund IV-A”) and Greenbriar Equity Fund V, L.P. (“Fund V”) and Niall McComiskey and Michael Weiss are additionally Managing Partners for Fund V. Greenbriar SLP IV, L.P. serves as the management company of Fund IV and Fund IV-A and is registered with the SEC under the Advisers Act pursuant to Greenbriar Equity Group, L.P.’s registration. Greenbriar SLP IV, L.P. is principally owned by the Managing Partners. Greenbriar SLP V, L.P. serves as the management company of Fund V and is registered with the SEC under the Advisers Act pursuant to Greenbriar Equity Group, L.P.’s registration. Unless the context otherwise requires, references to Greenbriar herein include Greenbriar SLP IV, L.P. and Greenbriar SLP V, L.P.

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

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

Additionally, from time to time and as permitted by the relevant Fund’s limited partnership agreement, Greenbriar expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Greenbriar’s personnel and/or certain other persons associated with Greenbriar and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of

an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Greenbriar's sole discretion, Greenbriar reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

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

We do not participate in wrap fee programs.

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

As of December 31, 2020, we managed \$3,612,834,793 of Client assets on a discretionary basis. This includes both invested capital and the committed capital that may be called by the Funds from their respective limited partners. We do not manage Client assets on a non-discretionary basis.

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

### ***Management Fees***

Our Clients generally pay us annual management fees in exchange for our investment management services. The management fees that our Clients pay us are provided for in their limited partnership agreements and/or the investment management agreements that they enter into with us. The management fees for an annual period are payable semiannually partially in arrears and partially in advance. The amount of management fees payable by a Client during its commitment period (*i.e.*, period of time during which we may draw upon the limited partners' capital commitments to make new investments) is based on a percentage of the Client's aggregate capital commitments. The amount of management fees payable by a Client following its commitment period is reduced based on a formula set forth in the applicable Client's investment management agreement. The specific management fees payable by a Client are negotiated at the time of its formation and are described in the applicable Fund offering memorandum. Where the Governing Documents calculate management fees based on the amount of commitments or the amount of investment contributions, the amount of management fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors.

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

### ***Other Fees***

We also receive management, directors', consulting and other similar fees and financing or other transaction fees in connection with the activities of the Funds ("Other Fees") as described in each Fund's governing documents. In addition, we are reimbursed by the Funds' portfolio companies for expenses we

incur in connection with our performance of the services that give rise to Other Fees. Finally, we receive fees or other forms of compensation payable by a third party as a result of the failure to consummate a proposed investment by a Fund (“Break-Up Fees”). As a general matter, Break-Up Fees are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

In general, the aggregate management fee that a Client pays us is reduced by a portion of any Other Fees or Break-up Fees received by us in connection with the activities of the Fund. If the management fee payable by a Fund is reduced to zero as a result of our receipt of Other Fees or Break-up Fees (or because the management fee is no longer payable), we will refund the excess for the benefit of such Fund’s limited partners. If any such excess remains upon liquidation of a Fund, a distribution will be made crediting the Fund’s partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence may result).

As a matter of practice, Greenbriar is typically paid Other Fees or Break-Up Fees from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the management fees payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors or potential co-investors (which could include co-investment vehicles managed by Greenbriar, third parties, portfolio company management or employees and/or others), which have the potential to be significant. Fee offsets from Other Fees or Break-up Fees generally are performed on a net basis, after giving effect to taxes and other expenses in connection with the receipt of such fees or the provision of related services. Unless otherwise agreed with investors, Other Fees and Break-up Fees generally will be payable without further offset during term extensions, even if management fees are reduced or eliminated during the extended term. In certain circumstances, Greenbriar expects that co-investors or other parties from time to time will, from time to time in the future, negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the applicable operating documents of each Fund, it is Greenbriar’s practice to use or retain certain operating partners (“Operating Partners”), senior advisers (“Senior Advisers”), operating executives (“Operating Executives”) and an executive council (“Executive Council”) and together with the Operating Partners, Senior Advisers and Operating Executives, the “Operating Network”) to support Greenbriar to source investments, in due diligence and to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Members of the Operating Network generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will result in additional offsets to the management fees. For the avoidance of doubt, Greenbriar also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

Certain Funds’ limited partnership agreements permit Greenbriar to waive or agree to reduce management fees for certain investors, such as “friends and family” of Greenbriar or its personnel. Certain waived portions of management fees are treated by the applicable Fund limited partnership

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

We deduct management fees from the account of each Client.

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

Fund III and Fund III-A will typically pay all expenses in connection with the acquiring, holding, sale or proposed sale of its portfolio investments and unreimbursed transactional costs for transactions which have not closed. Fund IV and Fund IV-A will typically pay all expenses in connection with the acquiring, holding, sale or proposed sale of its portfolio investments and unreimbursed transactional costs for transactions which have not closed. Fund V will typically pay all expenses in connection with the acquiring, holding, sale or proposed sale of its portfolio investments and unreimbursed transactional costs for transactions which have not closed. In addition, each Fund will typically pay all expenses related to the operation of such Fund, including but not limited to: administrative expenses of such Fund; the cost of the preparation of the annual audit, financial and tax reports to investors; expenses of any consultants, custodians, outside counsel, accountants, investment bankers or other similar advisors; costs incurred in connection with the organization of such Fund (including legal, travel, accounting, filing (including blue sky and world sky filings), capital raising, regulatory compliance, any administrative or other filings and other organizational expenses); expenses in connection with government or regulatory filings, returns or reports; taxes, fees or other governmental charges levied against a Fund; litigation or other extraordinary expenses; insurance and indemnity expenses; expenses of liquidating; expenses of any advisory committee established with respect to such Fund; and costs of any annual meeting of such Fund's investors.

In the case of organizational expenses, Greenbriar will bear, directly or through an offset against the management fee, all placement fees and the Fund's share of all organization expenses, in excess of the lesser of (i) 0.2% of commitments and (ii) \$2 million, if any. The investors will bear organizational expenses up to such amounts.

In some cases, expenses might be attributable to more than one Fund or to Greenbriar and one or more Funds. In such cases, although Greenbriar will apply an expense allocation methodology that is believed

to be fair to all affected Funds, Greenbriar will potentially be subject to a conflict of interest when determining and applying an allocation methodology.

While neither we nor any of our “supervised persons” accepts compensation from the sale of securities or other investment products, Greenbriar receives transaction fees due to the purchase or sale of part or all of a portfolio company held by one or more of the Funds, a portion of which will be applied to reduce the management fee of the affected Fund(s). Please reference each Fund’s governing documents for specific information about the reduction of management fees as a result of transaction or other fees earned by Greenbriar, and the fees charged to each Fund.

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

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

Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Other Fees or Break-up Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund’s strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the

relevant General Partner has committed in making investments on behalf of the Fund. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

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

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

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

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

potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

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

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

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

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

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

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

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

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

industry executives, consultants, lawyers, accountants, insurance and human resource experts.

## **Risk Factors**

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

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

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

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

***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 portfolio investments made by the respective Fund or considered for prospective investment. Portfolio investments can be expected to be sensitive to the performance of the overall economy. A deterioration of economic fundamentals and consumer confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of a Fund's portfolio investments. No assurances can be given as to the effect of these events on a Fund's investment objectives.

***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 the current outbreak of COVID-19 (as defined below), have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

## COVID-19

As of the date hereof, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization formally declared in March 2020 to constitute a global “pandemic.” This outbreak has caused a worldwide public health emergency, straining healthcare resources and resulting in extensive and growing numbers of infections, hospitalizations and deaths. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and entities, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and a severe decline in the equity, credit and commodities markets. Among other things, these unprecedented developments have resulted in material reductions in demand across most categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 — and the resulting precipitous decline in economic and commercial activity across several of the world’s largest economies — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn or recession of indeterminate duration and severity, are possible. The extent of COVID-19’s impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro- and micro-economic growth, the health of certain industries and businesses, and commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds’ and their respective portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory

frameworks in ways that are adverse to the investment strategy a Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their respective portfolio companies and Greenbriar may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

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

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

***Leveraged Investments.*** It is expected that a Fund will, from time to time, make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. 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, among other things, regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it will be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a portfolio company, in addition to the burden of debt service, and could impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a portfolio company's condition or industry, competitive pressures, an adverse

economic environment or rising interest rates (which in recent years have been at or near historic lows) and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. 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 the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency.

It is expected that a Fund will, from time to time, borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. A Fund is permitted to incur leverage on a joint and several basis with one or more other Funds and entities managed by Greenbriar or any of its affiliates and may, in certain or all such situations, have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts would, in certain or all such situations, be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

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

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

In addition, Fund-level borrowing will result in 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 maintenance, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the relevant Fund's operating documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments. 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 relevant General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

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

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

***Portfolio Company Management Risks.*** With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. Although we expect to monitor each portfolio company's management team, each portfolio company's management team will have day-to-day responsibility for the business of such portfolio company.

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

***Limited Industry Concentration.*** Fund investments will be generally concentrated in business services, distribution, logistics and vehicle aftermarket companies which provide critical technology, services and support across the consumer and industrial economies, as well as advanced manufacturing companies which are focused primarily on aerospace & defense, transportation and other specialty industrial markets, and as a consequence, the funds will be less diversified for industry risk than other funds with a more diversified strategy. As a result of the funds' sector focus, there could be a disproportionate effect on our fund's performance due to certain factors impacting these sectors relative to a more broadly focused fund.

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

***Control Position.*** The Funds will generally seek investment opportunities that allow the Funds to have significant influence on the management, operations and strategic direction of the portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose the assets of a Fund to claims by a portfolio company's security holders and creditors. While we intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims

cannot be precluded.

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

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

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

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

***Side Letters.*** As a result of a Fund's Side Letters, certain investors may receive additional rights (e.g., expanded informational rights or preferential economic terms) that other investors will not receive. The General Partner of the applicable Fund may not be required to notify all investors of such Fund of any such Side Letters or any of the rights or terms or provisions thereof, and may not be required to offer such additional or different rights or terms to all investors. Any rights or terms so established in a side letter with an investor will govern solely with respect to such investor and will not require the approval of any other investor.

***Cybersecurity Risks.*** Recent events have illustrated the ongoing cybersecurity risks to which operating

companies are subject, particularly operating companies in historically vulnerable industries such as the retail industries. To the extent that a Portfolio Company is subject to cyber-attack or other unauthorized access is gained to a Portfolio Company's systems, such Portfolio Company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or Portfolio Company financial information; (iii) Portfolio Company software, contact lists or other databases; (iv) Portfolio Company proprietary information or trade secrets; or (v) other items. In certain events, a Portfolio Company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. Any of such circumstances could subject a Portfolio Company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm.. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Greenbriar or one of its service providers holding its financial or investor data, Greenbriar, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under Greenbriar's policies and practices.

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

For example, California has passed the California Consumer Privacy Act of 2018, and the EU has enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction,

thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Greenbriar, the General Partner, the Funds and/or their portfolio companies.

***United Kingdom (“UK”) Exit from the European Union (the “EU”).*** On March 29, 2017, the United Kingdom formally notified the European Council of its intention to leave the EU (“Brexit”). The UK formally left the EU on January 31, 2020 and entered a transition period that ended on December 31, 2020. On December 24 2020, the UK government and the EU Commission provisionally agreed a trade and cooperation agreement governing their future relationship, which, following a ratification process, is expected to apply on a provisional basis through an additional transition period.

Although provisionally agreed, the terms of UK’s ongoing and future relationship with the EU are still uncertain, including the extent to which UK businesses will have access to the EU single market between the UK and the EU, particularly as new trade arrangements are intended to be ratified and implemented. The UK expects to agree a deal on a future relationship with the EU by the end of the transitional period but whether this is possible is subject to disagreement by leaders of certain EU member states.

The future application of EU-based legislation to the private fund industry in the UK will depend, among other things, on how the UK renegotiates its relationship with the EU. There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty generally resulting from the UK’s exit from the EU may adversely affect both EU and UK-based businesses, including Greenbriar and Fund portfolio companies. This uncertainty may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

## **Item 9. Disciplinary Information**

None.

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

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

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

- Greenbriar Equity Capital III, L.P.

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

See *Conflicts of Interest* in Item 11 below.

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

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

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

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

The Code imposes certain restrictions, pre-clearance and reporting requirements on personal trading and other activities of its principals and employees. The personal trading policy applies to accounts of certain family members (including the spouse and minor children of a principal or employee, and immediate family members of a principal or employee who live in the same household). Under the Code, principals and employees must obtain approval prior to executing transactions in private placements or initial

public offerings. In addition, Greenbriar maintains a restricted list containing the names of securities which access persons are generally prohibited from trading. All transactions made by employees are monitored on an ongoing basis by the Firm to ensure the personal trading patterns of employees fall within the guidelines set forth in the Code.

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

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

### **Conflicts of Interest**

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

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by Greenbriar principals through such Fund, subject to certain limited exceptions set forth in the Governing Documents and Greenbriar's allocation policies. Without limitation, Greenbriar principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Greenbriar personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. Greenbriar's principals and Greenbriar's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Greenbriar principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the commitment period of a Fund, Greenbriar principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. Unless restricted by the Governing Documents, Greenbriar personnel are permitted to serve on boards or act in other roles unaffiliated with Greenbriar, the Funds or their portfolio companies, including boards of charitable and educational

institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

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

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

Following such determination of allocation among Funds, Greenbriar will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s) and reserves the right to offer any such excess to one or more potential co-investors, including third parties, as determined by the Funds' limited partnership agreements, Side Letters and Greenbriar's procedures regarding allocation. Greenbriar expects to offer one or more persons (including, but not limited to, limited partners of a Fund and/or third parties, including consultants, directors, members of the Operating Network and service providers) the opportunity to participate in any such excess opportunities, directly or by forming one or more co-investment vehicles specifically to take up any such excess opportunity, and may be compensated for doing so, including through the receipt of fees from portfolio companies and management fees and carried interest from co-investors, which will not offset management fees. Greenbriar will determine the person(s) to whom it offers any such opportunity, and the relative amounts offered to each such person, taking into account such factors as Greenbriar determines appropriate based on the relevant facts and circumstances, which may include one or more of the following: (i) the ability of an investor to commit to invest within a

specified period of time, in light of the timing constraints applicable to such investment; (ii) the ability of an investor to commit to sufficient capital relative to the opportunity and the administration thereof; (iii) whether an investor provides strategic value in respect of such investment, such as by having relevant experience in the sector or existing relationships with management or other relevant parties; (iv) the capital commitment, size and financial resources of the investor; (v) whether and to what extent an investor has accepted prior co-investment opportunities offered to it; (vi) any confidentiality concerns that arise in connection with providing the other parties with specific information relating to the investment opportunity; (vii) prior expression of interest to co-invest generally and expression of interest of a specific nature; and (viii) such other factors as Greenbriar deems relevant, which will likely include subjective determinations such as working relationships and strategic benefits to the applicable portfolio company investment or to private fund clients. Although Greenbriar reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Greenbriar in identifying co-investors.

Furthermore, Greenbriar or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a co-sponsor. Notwithstanding the foregoing, Greenbriar expects to offer co-investment opportunities to individuals or firms whom Greenbriar believes, due to their specific capabilities, experience or otherwise, will add value or provide strategic sourcing or similar benefit to a Fund or the applicable portfolio company's activities. Such strategic co-investors would include, without limitation, management of the applicable portfolio company, introducers (including members of the Operating Network), lenders and other service providers (including consultants), persons serving as outside directors and other persons (which could include one or more limited partners, as applicable) with functional, geographic, industry or other relevant expertise applicable to such portfolio investment. The allocation of co-investment opportunities will not always be in the best interests of a Fund or any individual limited partner. Co-investment opportunities typically will be offered to some and not to other Greenbriar investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that employees and related persons of Greenbriar and its affiliates make capital investments in or alongside certain Funds, Greenbriar and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction will be equal to and not less than another Fund participating in the same transaction or that it will be as favorable as it would have been had such conflict not existed. Further, there can be no assurance that a Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Employees of Greenbriar are required to co-invest in each transaction. The amount an employee is required to invest is based on his or her level of seniority in the organization and, where an employee has a carried interest entitlement, is consistent with such carry percentage. Subject to the limitations the applicable Fund's governing documents, the co-investment amount may be increased prior to December 31 of each year, but is otherwise, in the aggregate for such person, in a fixed amount. The co-investments may be made individually or through one or more partnerships or other entities consisting of persons selected by Greenbriar for the purposes of investing side-by-side the Fund (each such entity, an

“Executive Fund”). In addition, members of the Operating Network also invest amounts alongside the Funds. If an Executive Fund is formed it is expected to have certain different terms and conditions that would be more or less favorable than the terms and conditions of the applicable Fund. Although such employee co-invest arrangements subject Greenbriar or their respective affiliates to potential conflicts of interest, Greenbriar believes that such potential conflicts are mitigated because such arrangements can help align employees’ interests with the interests of the limited partners and encourage prudence and diligence during the investment process.

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

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

As a matter of practice, Greenbriar and/or its affiliates have discretion over whether to charge transaction fees or other portfolio company fees to a portfolio company and, if so, the fee rate or amount. The receipt of such fees gives rise to conflicts of interest between one or more Funds, on the one hand, and Greenbriar and/or its affiliates on the other hand. Moreover, from time to time, Greenbriar or an affiliate is also paid such fees from, on behalf of, or with respect to amounts allocable to, co-investors in an investment. The receipt of such fees from, on behalf of or with respect to any such co-investors

will not reduce the management fee payable by any Fund that has also invested in such investment, and as a result, such Fund(s) will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that relates to such co-investors. The receipt of such fees gives rise to conflicts of interest between one or more Funds, on the one hand, and Greenbriar and/or its affiliates on the other hand.

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

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

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

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

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest

vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Greenbriar or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has a greater benefit to a Fund or Greenbriar. The Funds generally have different expense reimbursement terms, including with respect to management fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

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

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

In connection with its services to the Funds and their investments, Greenbriar, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Greenbriar's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Greenbriar and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Greenbriar Information"). In many cases, Greenbriar Information will include tools, procedures and resources developed by Greenbriar to organize or systematize Greenbriar Information for ongoing or future use. Although Greenbriar expects its Funds and their portfolio companies generally to benefit from Greenbriar's possession of Greenbriar Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies and not by the Fund or portfolio company from which Greenbriar Information was originally received. Greenbriar Information will be the sole intellectual property of Greenbriar and solely for the use of Greenbriar. Greenbriar reserves the right to use, share, license, sell or monetize Greenbriar Information, without offset to 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 terms are expected to vary from time to 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 management fees.

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

In addition, as described above, portfolio companies typically pay certain fees to members of the Operating Network and other consultants (including consultants introduced or arranged by Greenbriar and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees

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

Although uncommon, Greenbriar reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Greenbriar, or co-investors or co-investment vehicles. 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. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' limited partnership agreements or otherwise in the sole discretion of Greenbriar, Greenbriar reserves the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. In certain circumstances, Greenbriar reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates

the fairness of the relevant transaction to a Fund under then-current market conditions. Greenbriar intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although Greenbriar generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market parties negotiate for the right to face only select Fund entities, which would result in one Fund or certain Funds being solely liable for other Funds' share of the relevant obligation and/or joint and several liabilities among Funds. In each such case, Greenbriar intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

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

Greenbriar, its affiliates, and equity holders, officers, principals and employees of Greenbriar and its affiliates reserve the right to buy or sell securities or other instruments that Greenbriar has recommended to a Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund. Such transactions are subject to any restrictions in the Fund's limited

partnership agreement and any policies and procedures set forth in Greenbriar's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Greenbriar have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

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

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

Greenbriar has entered and will enter into certain strategic relationships with its Senior Advisers, Operating Executives and Executive Council members to provide certain services to Fund(s) or their portfolio companies in exchange for cash or equity consideration in connection with sourcing investments, technology, human resources, environmental, social and corporate governance matters, due diligence, providing operating services to portfolio companies or serving on the boards or in management policy-making positions of such companies. In addition to Greenbriar's Operating Network, to the extent Greenbriar utilizes Greenbriar employees (other than Operating Partners) whose job functions primarily include providing operational advice concerning sourcing investments, technology, human resources, environmental, social and corporate governance matters and due diligence and/or operating services to a Fund or its portfolio companies, such employees will be deemed Operating Executives to the extent of such service and its consideration or reimbursement. Members of the Operating Network will, in certain or all such situations are entitled to receive compensation, including, but not limited to, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from Greenbriar and/or its Funds or affiliates, guaranteed minimums or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such members, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Greenbriar may make collective arrangements between members of the Operating Network and one or more of Greenbriar, the Fund(s) and portfolio companies whereby each such party (other than such Senior Adviser, Operating Executive or Executive Council member) compensates such Senior Adviser, Operating Executive or Executive Council member

for his, her or its services to such party. They generally receive substantial compensation from the portfolio companies including fixed salaries, bonuses and equity incentives. Such payments may also reduce retainers otherwise payable by Greenbriar but such compensation will not reduce the management fees payable to Greenbriar. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment. The Senior Advisers, Operating Executives and Executive Council members are also not subject to certain of the restrictions on Greenbriar investment professionals and affiliates such as conflicts of interest, allocation of investment opportunities, and formation of other vehicles. Although such use of the Senior Advisers, Operating Executives and the members of the Executive Council, and the allocation of compensation paid to them by Greenbriar and/or the portfolio companies, subject Greenbriar or its affiliates to potential conflicts of interest, Greenbriar believes that such potential conflicts are mitigated by the services and expertise provided by the such members to the portfolio companies. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost.

In addition to the Senior Advisers, Operating Executives, and Executive Council members, Operating Partners may also be engaged to provide services to Greenbriar in relation to its activities or one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies. These services may be similar in nature to those provided a Fund's investment team. Operating Partners will, in certain or all such situations, be entitled to receive cash and/or non-cash (e.g., equity) consideration for their services from the applicable portfolio companies (and Greenbriar may be reimbursed from portfolio companies for advancements of such consideration), which consideration or reimbursement, for the avoidance of doubt, will reduce the management fee payable to Greenbriar. The services of the Operating Partners may be provided to Greenbriar or the Funds on an exclusive basis. Pursuant to the Governing Documents, fees and expenses associated with the services provided by members of the Operating Network, may be paid and/or reimbursed by applicable portfolio companies and/or a Fund. Such fees and expenses may, at the discretion of the General Partner taking into account the particular services, include a profits or equity interest in a portfolio company or other incentive-based compensation to the members of the Operating Network, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the members of the Operating Network, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. While such fees and expenses will be determined by Greenbriar on a basis it believes to be reasonable and generally at market rates for the relevant services provided, exclusive arrangements or other factors may result in fees and expenses paid to members of the Operating Network that are not always comparable to costs, fees and expenses charged by other third parties. Fees or other payments or benefits received by members of the Operating Network (other than the Operating Partners) in connection with their services, including any amounts paid in connection with particular transactions or investments, will not reduce the management fee paid by a Fund. Members of the Operating Network may also serve on the boards of portfolio companies or as employees or consultants in an operations capacity. Any directors' fees, salaries, consultant fees, other cash compensation, stock options or other compensation and incentives received by members of the

Operating Network (other than the Operating Partners) in such capacities will be borne by the portfolio companies, will not will not reduce the management fee paid by a Fund.

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

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

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

Greenbriar and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. 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. As a consequence of one or more limited partners being excused or

excluded, or from regulatory or other factors limiting their participation in investments, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments.

Greenbriar reserves the right to institute a program under which portfolio companies owned by the Funds would either be given the option or required to participate in purchasing, vendor or similar arrangements with Greenbriar, its affiliates and other portfolio companies. Participants on any such program would receive discounts negotiated with various vendors and service providers on a groupwide basis. Such participants would either voluntarily participate in the program without cost or alternatively, if fees and/or third-party administration costs were charged for participating in such program, Greenbriar would allocate such fees and/or costs among the relevant Funds or portfolio companies. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Greenbriar and its affiliates reserve the right to also participate in the program in exchange for paying an allocable portion of such fees and/or costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts would offset or reduce the management fee. Greenbriar believes the potential for conflicts relating to any such arrangements would be mitigated by the anticipated cost savings to portfolio companies (which Greenbriar expects would be to the benefit of the applicable Fund(s)) that would result if the rates for goods and services were discounted due to scale or relative to those widely available in the market. Greenbriar and its affiliates, principals and employees expect from time to time 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).

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

In borrowing on behalf of a Fund, Greenbriar is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of such Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the applicable Fund's preferred return, is expected to have incentives to cause such Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the applicable Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to

which the limited partners would otherwise be entitled had the General Partner of the applicable Fund called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when management fees are calculated as a percentage of invested capital, a limited partner may pay management fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

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

## **Item 12. Brokerage Practices**

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

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

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

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

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

company growth and identify potential realization points and/or exit strategies.

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

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

We sponsor the formation of each Fund, and we do not engage or compensate third party referral agents to solicit for us new Clients. In the event that we engage, and will make a cash payment to, any solicitor of Clients, we will do so in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended. We will bear the full costs of any compensation paid to such solicitors.

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

#### **Item 15. Custody**

We have engaged a third party to serve as qualified custodian for the Funds. The Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Additionally, each Fund (within 120 days of the end of its fiscal year) circulates to its limited partners audited annual financial reports prepared in accordance with generally accepted accounting principles.

#### **Item 16. Investment Discretion**

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

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

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

The Chief Compliance Officer will also determine whether there is, or appears to be, a material conflict of interest that could influence the voting decision in a manner that would be adverse to the interest of a Fund. If we determine that there is no material conflict of interest, then we will make the voting determination and take the required voting action. If the Chief Compliance Officer has identified a material conflict of interest that cannot be resolved by removing one or more persons from the voting decision, then the Chief Compliance Officer will consult with counsel to determine an appropriate course of action in respect of the voting decision, which may include seeking the consent of the advisory committee of the applicable Fund.

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

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

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

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

Not Applicable