**APPLICATION TO BECOME A SIGNATORY TO THE STANDARDS OF THE SBAI**

To: Standards Board for Alternative Investments Limited

7 Henrietta Street

London, WC2E 8PS

United Kingdom

*Registered No. 6465317, England and Wales*

The Standards Board for Alternative Investments Limited **("SBAI")** isa global alliance of asset managers and institutional investors dedicated to improving the alternative investment industry and acts as Custodian of the Alternative Investment Standards set out in the HFWG Final Report (the “**Report**”).

We, the organisation described below, wish to become a signatory ("**Signatory**") to the Alternative Investment Standards (the "**Standards**").

***Signatories' Undertakings***

Upon acceptance of our application by the SBAI, we will become Signatories and as such will undertake:

1. to adopt the "comply-or-explain" approach to the Standards described in the Report by no later than the last day of the sixth month after the date on which our application to become a Signatory to the Standards is accepted by the SBAI.

2. to provide funding towards the working capital of the SBAI due initially 50% of the fee upon application and then 100% of the fee upon delivery of our initial Conformity Statement (six months after the date of the application being accepted) and annually on each date on which we provide the SBAI with a Conformity Statement pursuant to paragraph 6 below **(each a "Contribution Date")**,according to the contribution schedule published by the SBAI from time to time. If we achieve conformity with the Standards before the six-month period, this amount will be refunded on the pro-rated basis against the annual fee payable on the date the first Conformity Statement is submitted.

Currently, the required contribution on each Contribution Date is

|  |  |  |
| --- | --- | --- |
| For manager with AUM under US$50 million globally | 1,000 GBP |  |
|  |  |  |
| For manager with AUM of US$50-$100 million globally | 2,000 GBP |  |
|  |  |  |
| For manager with AUM of US$100-$250 million globally | 3,000 GBP |  |
|  |  |  |
| For manager with AUM of US$250-$1 billion globally | 5,200 GBP |  |
|  |  |  |
| For manager with AUM of US$1-2 billion globally | 10,500 GBP |  |
|  |  |  |
| For manager with AUM of US$2-5 billion globally  | 12,000 GBP |  |
|  |  |  |
| For manager with AUM of US$5-10 billion globally  | 15,000 GBP |  |
|  |  |  |
| For manager with AUM of over US$10 billion globally  | 20,000 GBP |  |
|  |  |  |
| For manager intending to become a Core Supporter | 35,000 GBP |  |
|  |  |  |
| Managed Account Platform | 5,000 GBP |  |

The contribution amounts will be reviewed by SBAI annually and any changes will be notified to all Signatories to the Standards in writing.

3. from the date on which we adopt the "comply–or-explain" approach to the Standards described in the Report (and not before), to do what we reasonably can to ensure that the fact that we are a Signatory to the Standards is communicated to investors and prospective investors in alternative investment funds managed or advised by us (e.g. via newsletters, website, marketing materials, or offering memoranda/prospectuses, etc.). We acknowledge that the SBAI encourages Signatories to display the SBAI official Kite Mark in marketing materials and/or offering memoranda/ prospectuses and /or on their websites and confirm that, where we consider it appropriate, will do so. We further understand that upon acceptance of our application you may include our name as a Signatory to the Standards on your website and/or in materials which you may issue.

4. with effect from no later than the last day of the sixth month after the date on which our application to become a Signatory to the Standards is accepted by the SBAI, to make available to investors and prospective investors in alternative investment funds managed or advised by us upon request a statement **("Disclosure Statement")** either (a) stating that we comply with all of the Standards or (b) providing details of those Standards, if any, with which we do not comply either because we are unable to comply or choose not to do so. The Disclosure Statement will be kept up-to-date so that recipients are provided with a materially true and accurate picture of compliance by the Signatory with the Standards. An up-to-date copy of the Disclosure Statement will be provided to the SBAI each time it is amended.

5. to ensure that our Disclosure Statement includes the following language:

***"No responsibility, duty of care or liability whatsoever (whether in contract or tort or otherwise including, but not limited to, negligence) is or will be accepted by the Standards Board for Alternative Investments Limited ("SBAI"), the Board of Trustees of the SBAI, any member of the SBAI's Investor Chapter (each an "Investor Chapter Member") or a Core Supporter of the SBAI to Signatories, investors or any other person in connection with the Standards or any Conformity Statement or Disclosure Statement made by any Signatory. A Core Supporter can be a Signatory to the Standards, a member of the SBAI’s Investor Chapter or an investment consultant.***

***Neither the SBAI nor its Board of Trustees is a regulator of the alternative investment*** ***industry and their role does not extend beyond being a custodian of the Standards. None of the SBAI, its Board of Trustees, the Investor Chapter Members and the Core Supporters will seek to enforce compliance with the Standards by Signatories. The fact that a manager is a Signatory to the Standards is not and should not be taken as an endorsement of such manager by the SBAI, the Board of Trustees, any Investor Chapter Member or any Core Supporter or as a representation by the SBAI, the Board of Trustees, any Investor Chapter Member or any other Core Supporter that such Signatory operates in conformity with the Standards. In determining whether to accept a manager's application to become a Signatory (or whether to revoke a manager's status as a signatory), the Board of Trustees is entitled to rely on the information provided to it by such manager without further investigation or verification. Further, subject to any duties a Trustee may have under applicable law, it is not envisaged, or expected, that a Trustee will when participating in any such decision of the Board of Trustees take into consideration information which it may possess otherwise than in its capacity as a Trustee. For the avoidance of doubt, Trustees act as individuals.***

***None of the SBAI, the Board of Trustees of the SBAI, the Investor Chapter Members and the other Core Supporters accept any responsibility or liability for any loss or damage caused to any person who acts or refrains from acting as a result of anything contained in or omitted from the Standards or any Conformity Statement or Disclosure Statement made by any Signatory or in reliance on the provisions of or material in the Standards or any Conformity Statement or Disclosure Statement made by any Signatory, whether such loss or damage is caused by negligence or otherwise.";***

and

6. to provide to the SBAI and/or such person(s) as it may nominate as at the last day of the sixth month after the date on which our application to become a Signatory to the Standards is accepted by the SBAI and annually thereafter a statement **("Conformity Statement")** in relation to the Standards within two weeks of the date to which such Conformity Statement is made. The Conformity Statement shall confirm that we continue to fulfil our obligations as Signatories.

Also, we will engage with the SBAI by

* Collaborating with investors to improve industry outcomes through ongoing working group sessions
* Participating in a global programme of educational and networking events
* Participating in consultation processes to improve the Standards
* Improving the efficiency of investor due diligence and monitoring through standardisation of common processes.

*Signatory Participation*

We understand that the shareholders or members of the SBAI will be the Board of Trustees of the SBAI and that as a Signatory we will not be a shareholder or member of the SBAI. However, as a Signatory we will be entitled to attend the Annual General Assembly at which:

* the latest report and accounts of the SBAI will be laid; and
* commencing with the meeting held in 2010, the Signatories will consider and, if thought fit, indicate approval of the appointment or reappointment of Trustees who have been appointed or reappointed as Trustees at the annual general meeting of the SBAI in that year.

*Application Process*

The SBAI will consider all valid applications to become a Signatory to the Standards and will notify those accepted in writing formally as soon as practicable following receipt of this application form duly completed. Acceptance will be at the discretion of the Board of Trustees of the SBAI. The SBAI may request further information regarding the applicant before making its decision. Applicants should note that the SBAI will accept applications only from fund managers engaged in managing and/or advising investment vehicles employing alternative investment strategies.

*Ceasing to be a Signatory*

We understand that the Board of Trustees of the SBAI, acting reasonably, but recognising that the final decision is at the Board’s sole discretion, may revoke our Signatory status including without limitation in the event that we fail to comply with any of the undertakings given by us in our application to become a Signatory or Conformity Statement. We can also elect to cease being a Signatory at any time upon written notice to the SBAI. In the event that we do cease to be a Signatory we will not hold ourselves out in any way as a Signatory and in particular will cease to communicate in our marketing materials and/or to display on our website that we are a Signatory to the Standards.

*Disclaimer*

No responsibility, duty of care or liability whatsoever (whether in contract or tort or otherwise including, but not limited to, negligence) is or will be accepted by the SBAI, the Board of Trustees of the SBAI any Investor Chapter Member or any Core Supporter to other Signatories, investors or any other person in connection with the Standards or any Conformity Statement or Disclosure Statement made by any Signatory.

Neither the SBAI nor its Board of Trustees is a regulator of the alternative investment industry, and their role does not extend beyond being a custodian of the Standards. None of the SBAI, its Board of Trustees and the Core Supporters will seek to enforce compliance with the Standards by Signatories. The fact that a manager is a Signatory to the Standards is not and should not be taken as an endorsement of such manager by the SBAI, the Board of Trustees, any Investor Chapter Member or any Core Supporter or as a representation by the SBAI or the Board of Trustees that such Signatory operates in conformity with the Standards. In determining whether to accept a manager's application to become a Signatory (or whether to revoke a manager's status as a Signatory), the Board of Trustees will be entitled to rely on the information provided to it by such manager without further investigation or verification. Further, subject to any duties a Trustee may have under applicable law, it is not envisaged, or expected, that a Trustee will when participating in any such decision of the Board of Trustees take into consideration information which it may possess otherwise than in its capacity as a Trustee. For the avoidance of doubt, Trustees are acting as individuals.

None of the SBAI, the Board of Trustees of the SBAI, the Investor Chapter Members or the Core Supporters accept any responsibility or liability for any loss or damage caused to any person who acts or refrains from acting as a result of anything contained in or omitted from the Standards or any Conformity Statement or Disclosure Statement made by any Signatory or in reliance on the provisions of or material in the Standards or any Conformity Statement or Disclosure Statement made by any Signatory, whether such loss or damage is caused by negligence or otherwise.

*Use of Personal Data*

Any personal details which are provided to the SBAI will be used only for the purposes of contacting Signatory organisations in connection with their status as a Signatory or in connection with materials published by or events organised by the SBAI or by third parties.

*Governing Law*

This application form and our status as a Signatory shall be governed by, and construed in accordance with, English law.

Please complete the details below.

Name of Signatory Organisation: ………………………....................................……………………

Name of person duly authorised person signing this form: ………………………................................

Signature: ……………………….................................... Date:

Please return this completed form to the SBAI at the address above.

We hereby accept this application.

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Duly authorised for and on behalf of Standards Board for Alternative Investments Limited

Date:………………………....