

Alternative Investment Fund Governance

Frequently Asked Questions

The Maples Group is a leading service provider offering clients a comprehensive range of legal services on the laws of the British Virgin Islands, the Cayman Islands, Ireland, Jersey and Luxembourg, and is an independent provider of fiduciary, fund services, regulatory and compliance, and entity formation and management services. The Maples Group distinguishes itself with a client-focused approach, providing solutions tailored to their specific needs. Its global network of lawyers and industry professionals are strategically located in the Americas, Asia, Europe and the Middle East to ensure that clients gain immediate access to expert advice and bespoke support, within convenient time zones.

Q

What fiduciary services does the Maples Group provide?

The Maples Group's fiduciary team is a market leader in the provision of fiduciary and formation and management services to investment funds, structured finance vehicles and corporate entities established in the Americas, Asia, Europe and the Middle East. With an in-depth knowledge of a wide range of investment vehicles and structures, including regulatory and investor requirements, a robust institutional grade infrastructure and a highly responsive approach to client service, we provide comprehensive support to navigate the complexities of today's global business landscape and adherence to the required standards of corporate governance. We provide a range of services including:

- Directorship services;
- Trustee services;
- Private client services;
- Company secretarial and board support services;
- Accounting services;
- AIFM and UCITS management company services;
- Permanent office services;
- Power of attorney and proxy agent services;
- Commodity pool operator services;
- Conflict review and advisory services; and
- Facilities agent services.



What is the Maples Group?

The Maples Group is a leading service provider, offering clients a comprehensive range of legal services on the laws of the British Virgin Islands, the Cayman Islands, Ireland, Jersey and Luxembourg, and is an independent provider of fiduciary, fund services, regulatory and compliance, and entity formation and management services. The Maples Group distinguishes itself with a client-focused approach, providing solutions tailored to their specific needs. Our global network of lawyers and industry professionals are strategically located in the Americas, Asia, Europe and the Middle East to ensure that clients gain immediate access to expert advice and bespoke support, within convenient time zones.



When did the Maples Group first start providing directorship services?

The Maples Group first offered director services in 1997 to structured finance vehicles and in 2003, we began providing dedicated fiduciary services to investment funds. Our client companies have access to a team of highly qualified professionals who have first-hand experience in the financial services industry with backgrounds in law, accounting, investment management, banking, corporate finance, risk management, management consultancy, trust and private client services and fund administration. The Maples Group's directors deliver a service that is investor-focused, proactive, responsive and consistent.



Who are your clients?

Our clients include global financial institutions, institutional and high net worth investors, investment funds, structured finance vehicles and corporate entities established in the Americas, Asia, Europe and the Middle East.



Why do clients choose the Maples Group for fiduciary services?

Our clients choose to work with us because of our institutional infrastructure, the depth and breadth of our professionals and our solutions-oriented approach.

As one of the leading global fiduciary service providers, we have extensive experience in the provision of directorship services. We look to add value over the entire life of a fund, from the creation of new entities and the restructuring of existing ones through to advising on best practices, dealing with distressed fund issues and overseeing their wind down and liquidation.



Is the Maples Group licensed by any regulatory bodies?

The Maples Group's fiduciary activities are regulated in the Cayman Islands by the Cayman Islands Monetary Authority ("CIMA"). We operate our fiduciary services business under our full Mutual Fund Administrators License which is issued under the Mutual Funds Law (2013 Revision), in contrast to many of our competitors, which hold only a Companies Management License under the Companies Management Law (which has less stringent regulatory requirements).

In Bermuda, we are licensed to conduct Trust Business by the Bermuda Monetary Authority via Maples Trustee Services (Bermuda) Limited. The Maples Group is authorised in Ireland by the Department of Justice and Legal Reform to provide trust and corporate services, while in Luxembourg, we are regulated by the Commission de Surveillance du Secteur Financier where we operate our fiduciary services business as a licensed Professionnel du Secteur Financier. In the Netherlands, the Maples Group is regulated by the De Nederlandsche Bank N.V.

In the Middle East, our fiduciary services business was incorporated under the laws of the Dubai International Financial Centre in 2008 and is regulated as a fund administrator by the Dubai Financial Services Authority.

The Maples Group's fiduciary business is independently audited, in addition to being subject to an annual internal audit by our Internal Audit team.



Has the Maples Group ever been found guilty and / or liable for breach or failure to discharge its fiduciary duties or failure to adhere to laws or regulations?

There have been no such findings against the Maples Group or any of the directors employed by the Group.



What level of insurance coverage will the Maples Group normally require when providing directors to a fund?

Both the Alternative Investment Management Association ("AIMA") and the CIMA Statement of Guidance ("SOG") recommend that directors and officers ("D&O") insurance be put in place as a way of protecting investor assets in addition to protecting the directors.

As part of our business acceptance criteria, we ask each fund to provide either a first recourse D&O insurance policy with at least US\$5 million of coverage or an indemnity from a well-funded party.

We have relationships with market-leading insurance brokers which can source D&O coverage at extremely competitive rates for the benefit of the funds we serve.



Does the Maples Group have its own Compliance Officer, Risk Officer, Internal Auditor and General Counsel?

Yes, our directors are supported by a dedicated Risk and Compliance group comprised of our Chief Risk Officer and a team of compliance professionals. In addition to our annual external audit, our fiduciary business is also subject to an annual audit by the Group's Internal Audit team.

The fiduciary team also has a full-time in-house General Counsel and two Assistant General Counsels.



How is the Maples Group's fiduciary team structured?

We believe that the best results are achieved by adopting a team approach, so our fiduciary professionals work in teams within a group structure. Our directors are paid a salary and a

discretionary bonus. Their remuneration is in no way linked to the number of directorships held. We believe this not only delivers better service to the fund but also enhances the independence and objectivity of the directors we provide. By operating in teams we also encourage a collegial environment, designed to produce a consistent approach and institutional quality of service.



Who are the individuals that the Maples Group provides to act as directors to boards of funds?

Our directors are highly qualified and experienced with backgrounds in law, accounting, investment management, banking, corporate finance, risk management, management consultancy, trust and private client services and fund administration.



Are Maples Group directors members of any professional bodies?

The Maples Group is a member of AIMA and our directors are members of a number of professional bodies globally including the Cayman Islands Directors Association ("CIDA"), the Institute of Directors in Ireland, London and the Netherlands, Institut Luxembourgeois des Administrateurs and Mudara Institute of Directors. Along with holding various undergraduate and post-graduate degrees, many of our professionals belong to globally respected accounting societies, the CFA Society and the Society of Trust and Estate Practitioners. We also have professional directors with law degrees who have passed bar exams in various countries.



Do Maples Group directors subscribe to a code of conduct?

All of our Cayman Islands resident directors are members of CIDA and are subject to its code of conduct, which is based upon the Institute of Directors Code of Conduct in the UK. Our directors in other jurisdictions who are members of other professional bodies may be required to abide by additional codes of conduct. There are also duties imposed by the law of the Cayman Islands upon a director of a Cayman Islands company. Every Maples Group director is aware of those duties.



Please describe any continuing education established to keep professionals current on legal, regulatory and industry changes.

The Maples Group has a formal education policy that encourages and subsidises professionals who wish to further their academic and professional qualifications. We provide a combination of internal and external training to keep our professionals current on legal, regulatory and industry changes. Our trustee and fiduciary experts have access throughout the year to market leading technical training given by the Maples Group's senior legal services professionals. These sessions focus on topical industry news and provide appropriate refreshers on technical expertise. Externally, we engage accredited education consultants to give training courses and industry education seminars. These include updates on international accounting standards and other specialised technical issues.

For our staff with annual Continuing Professional Education requirements, we have structured our education programme to give our directors enough course time to fulfil their professional requirements.



How do you determine the number of funds for which an individual can serve as a director?

Many factors impact the number of directorships a professional can hold. Directorship numbers are closely monitored and frequently reviewed by senior management to ensure that each director has sufficient support and time to dedicate towards carrying out their fiduciary duties. Every engagement is assessed on its own merits and directors are appointed based on appropriate experience, capacity and fund relationships.

When a director experiences capacity constraints, they will typically not take on any more fund manager relationships. It is our policy to be completely transparent when disclosing the number of fund directorships and manager relationships that each director holds.

The role and functions of the directors to an investment fund are 'non-executive' given that day-to-day management is delegated to professional service providers such as the investment manager and the administrator. The role of the director is to provide a non-executive level of fiduciary oversight as disclosed to investors in the relevant offering documents. Accordingly, significant day-to-day or week-to-week attention from the independent non-executive director is not required and this impacts the number of directorships an individual can properly and appropriately handle.

In addition, the Maples Group's fiduciary professionals have significant internal support from a team of administrators who assist the directors to service an appropriate number of funds.



How do directors become educated with the due diligence involved in accepting new appointments and then in the ongoing monitoring of the funds they serve?

Prior to accepting an appointment, the director will undertake a detailed review of the proposed service providers to the fund and will often hold several calls with the investment manager. A particular focus is placed on the quality and experience of third party service providers along with the pedigree, experience and infrastructure in place at the investment manager. If the director wishes to accept the appointment, a detailed submission is made to the Maples Group's Business Acceptance Committee ("BAC") for consideration and approval.

Upon approval from the BAC, the director is then able to accept the appointment subject to ensuring our standard terms and conditions are agreed. At fund launch, the directors are heavily involved in the review and approval of the fund's statutory documents and agreements.



How are director fees invoiced? Are they paid to the Maples Group or directly to the directors?

Upon engagement, the Maples Group enters into an agreement with the investment fund vehicle and all invoices for services provided are issued by a Group entity. Fees are not paid directly to the directors provided by the Maples Group.



How do Maples Group directors view their fiduciary responsibilities with regards to a fund's relationship with the investment manager and how are potential disagreements handled?

We recognise that the directors owe their duties to the fund and not to the service providers appointed by the fund, which includes the investment manager. However, we consider the investment manager as a key service provider in the fund structure. We realise that investors are placing their money with the fund due to the track record and anticipated performance of the investment manager. When confronted with issues or when there are disagreements with the investment manager, the directors will discuss these with the investment manager and will consult with the fund's legal counsel (onshore and offshore) and other experts where applicable. Where required under the provisions of the fund's constituent documents or where considered desirable to assess the views of shareholders, the directors will also convene a shareholders meeting. The directors will also reach out to shareholders on a more informal basis where they consider it appropriate to do so.



What procedures do Maples Group directors follow in preparation for the typical annual board meetings to approve audited financial statements?

Our directors follow detailed procedures for reviewing and approving the annual financial statements of a fund, in line with CIMA's SOG.

Prior to the financial statement approval meeting, we obtain formal certificates of compliance from both the fund's administrator and investment manager relating to the functions delegated to them. We will also review and receive the draft management representation letter from the auditor and ensure that representations are appropriate and can be given.

We request that the auditor, fund administrator and investment manager attend the financial statement review meeting to present their findings and reports to the board. This also gives the directors the opportunity to ask any relevant questions. Each meeting follows a formal agenda. Typically, a corporate secretary would be engaged by the fund to organise meetings, prepare board packs and draft meeting minutes.



If a director cannot attend a meeting who will be appointed in such director's absence?

During any absence from the office, the relevant director will appoint an appropriate colleague or colleagues to act. In addition, the Maples Group has a 'tried and tested' Business Continuity and Disaster Recovery Plan that addresses the risks to the business, whether arising from a natural disaster or a major systems breakdown. The plan ensures that in such an event business can continue as normal, with negligible disruption to all business lines, services and our clients. In the event that it is impossible to operate from one of the Group's office locations, we are able to leverage our other offices and professional directors in key jurisdictions.



Do Maples Group directors spend any material amount of their time during normal business hours on any business or private interests outside their duties as Maples Group employees?

Our directors dedicate their entire working day to the discharging of their fiduciary duties and to meeting the needs of our clients. Our directors have no material outside business interests.



Do Maples Group directors work from locations outside of your offices? Are they easily accessible?

All directors operate from Maples Group offices during office hours. Outside of office hours they are easily accessible via either email or mobile phone.



Where do Maples Group directors hold their board meetings?

Board meetings are typically held at the Maples Group offices, although directors will travel to other locations to attend board meetings, if required.



What type of support structure do directors have to assist them in carrying out their fiduciary duties?

As of March 2021, the Maples Group has in excess of 2,500 employees. The directors in the fiduciary team are supported by our full-time internal General Counsel and Assistant General Counsels as well as a team of Assistant Vice Presidents, Senior Administrators and Corporate Assistants. There is approximately a 1:1 relationship between directors and support staff. The directors are also supported by in-house Risk and Compliance and Finance and Operations teams, where required.

The Maples Group also recognises the contribution technology makes to our ability to perform our duties effectively and we invest in our information technology ("IT") infrastructure and technology platforms accordingly. Utilising top name brands such as Cisco, Hewlett Packard and Microsoft, we have built a solid foundation on which our bespoke systems have been developed through years of technical and administrative experience. The Maples Group has also implemented a paperless document and records management system. In the event of a local disaster, our IT infrastructure and procedures ensure that the funds we serve receive a consistent and uninterrupted quality of service.



Who is in charge of the Investment Funds division of the Maples Group's fiduciary team and who should I contact if I have questions?

Peter Huber is the Global Head of the Maples Group's fiduciary business, with responsibility for investment funds. He is a member of the Executive Management Committee and reports to Chief Executive Officer, Scott Somerville.

For further information on our services, please contact:

Americas

Bermuda

Christopher Tribley
+1 441 400 4082
christopher.tribley@maples.com

Cayman Islands

Scott Somerville
+1 345 814 5817
scott.somerville@maples.com

Peter Huber
+1 345 814 5728
peter.huber@maples.com

Abali Hoilett
+1 345 814 5803
abali.hoilett@maples.com

Delaware

James Lawler
+1 302 340 9985
james.lawler@maples.com

Asia

Hong Kong

Charlie Sparrow
+852 3523 7801
charlie.sparrow@maples.com

Singapore

Kasturi Majumdar
+65 6436 6929
kasturi.majumdar@maples.com

Europe

Dublin

Stephen O'Donnell
+353 1 697 3244
stephen.odonnell@maples.com

London

Sam Ellis
+44 20 7466 1645
sam.ellis@maples.com

Luxembourg

Jorge Perez
+352 26 68 62 30
jorge.perez@maples.com

Netherlands

Yuri Schuurman
+31 203 998 220
yuri.schuurman@maples.com

Middle East

Dubai

Norbert Neijzen
+971 4 511 4202
norbert.neijzen@maples.com