

# RELATED PERSON TRANSACTION POLICY

August 2018

Version 5.0

Approved by BrightSphere Governance, Risk and Compliance Committee (August 24, 2018)

---

## **Related Person Transaction Policy**

### ***1.1 OBJECTIVE***

BrightSphere Investment Group plc and its subsidiary BrightSphere Inc. and Affiliated businesses (“Affiliates”) (herein collectively referred to as the “Company”) has adopted this Policy on Related Party Transactions, as required by Item 404(b) of Regulation S-K of the Securities Act of 1933, as amended (the “Act”). In general, the Company is required to disclose transactions between the Company and “Related Persons” (defined below). These rules apply to transactions between the Company and Related Persons, unless the transaction is exempt under Section III of this Policy. The Related Party Transaction Policy may be amended at any time and is subject to further guidance from the U.S. Securities and Exchange Commission (“the SEC”) and/or pronouncements made by the BrightSphere Investment Group plc Board of Directors (“BrightSphere Investment Group plc Board” or “Board”).

### ***1.2 DEFINITIONS***

For purposes of this policy, the following definitions are in effect:

- **Related Party Transaction:** A “Related Party Transaction” is any financial transaction, arrangement or relationship in which (a) the aggregate amount involved will or may be expected to exceed \$120,000 in any fiscal year, (b) the Company is a participant, and (c) any Related Person has or will have a direct or indirect material interest.
- **Related Person:** A “Related Person” is any Director or Officer of the Company, any nominee for director, any Significant Shareholder, and any Immediate Family Member of any such person.
- **Officer:** An “Officer” includes any individual who has been appointed by the Board or a member or designated executive or officer of BrightSphere Investment Group plc for purposes of Section 16 of the Act of 1934.
- **Immediate Family Member:** “Immediate Family Member” means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a person, and any person (other than a tenant or an employee) sharing the household of such person.
- **Significant Shareholder:** “Significant Shareholder” means any shareholder who owns in excess of 5% of the total equity of BrightSphere Investment Group plc.

### ***1.3 OWNER***

The Related Party Transactions Policy is formally adopted by the BrightSphere Investment Group plc Board of Directors. Any changes to the Policy on Related Party Transactions must be approved by the Board or its designees.

Questions about the Policy on Related Party Transactions and its application to Related Persons or their Immediate Family Members should be directed to BrightSphere Inc.’s General Counsel (“GC”).

### ***1.4 EFFECTIVE DATE / TRANSITION PERIOD***

This Policy is effective upon formal approval by the BrightSphere Investment Group plc Board of Directors.

### ***1.5 EXCEPTIONS***

Any exceptions to the Policy on Related Party Transactions must be consistent with the Act, including any regulations promulgated thereunder, and must be approved in advance by the BrightSphere Investment Group plc Audit Committee (the “Audit Committee”). Refer to the list of pre-approved transactions in Section III.

For purposes of this policy, the Board has determined that the following do not create material direct or indirect interests on behalf of the Related Person, and are therefore, not "Related Party Transactions" for purposes of this Policy:

- Interests arising only from the Related Person's position as a director of another corporation or organization that is a party to the transaction.
- Interests arising only from the direct or indirect ownership by the Related Person and all other Related Persons in the aggregate of less than a 10% equity interest (other than a general partnership interest) in another entity which is party to the transaction.
- Compensation arrangements with executive officers if the compensation has been approved, or recommended by the Board for approval, by the Compensation Committee of BrightSphere Investment Group plc.
- Compensation for services as a director of the Company if such compensation will be publically reported pursuant to SEC rules.
- A transaction that is specifically contemplated by the Articles of Association of BrightSphere Investment Group plc.
- Interest arising solely from indebtedness of a Significant Shareholder or an Immediate Family Member of a Significant Shareholder of BrightSphere Investment Group plc.
- A transaction where the rates or charges involved in the transaction are determined by competitive bids.
- A transaction that involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

## **2. PROCEDURES**

### ***2.1 NOTIFICATION OF RELATED PARTY TRANSACTIONS***

Each Director and Officer shall promptly notify the Audit Committee Chairman of any material interest that such person or an Immediate Family Member of such person had, has or may have in a Related Party Transaction. The notice shall include a description of the transaction and the aggregate dollar amount.

### ***2.2 REVIEW OF RELATED PARTY TRANSACTIONS***

The Audit Committee shall be responsible for the review, approval or ratification of any Related Party Transaction in which a Director, Officer or an Immediate Family Member has a material interest and shall convene a meeting to address any Related Party Transactions.

If advance notice of a Related Party Transaction has been given to the Audit Committee and it is not possible to convene a meeting, then the Audit Committee Chairman shall consider whether the Related Party Transaction is appropriate and, if so, shall approve the Related Party Transaction.

No Director shall participate in any discussion or approval of a Related Party Transaction for which he or she or any member of his or her Immediate Family Member is a Related Person, except that the Director shall provide all material information concerning the Related Party Transaction to the Audit Committee. The Audit Committee shall be responsible for the review, approval or ratification of a Related Party Transaction involving an Officer or an Immediate Family Member of an Officer.

### ***2.3 GENERAL CRITERIA FOR APPROVING RELATED PARTY TRANSACTIONS***

In determining whether to approve, ratify, disapprove or reject a Related Party Transaction, the Audit Committee, as appropriate, shall take into account, among other factors it deems appropriate, whether the Related Party Transaction is entered into on terms no less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances; the results of an appraisal, if any; whether there was a bidding process and the results thereof; review of the valuation

methodology used and alternative approaches to valuation of the transaction; and the extent of the Related Person's interest in the transaction.

The Audit Committee will review the following information when assessing a Related Party Transaction:

- The terms of such transaction;
- The Related Person's interest in the transaction;
- The purpose and timing of the transaction;
- Whether the Company is a party to the transaction, and if not, the nature of the Company's participation in the transaction;
- If the transaction involves the sale of an asset, a description of the asset, including date acquired and cost basis;
- Information concerning potential counterparties in the transaction;
- The approximate dollar value of the transaction and the approximate dollar value of the Related Person's interest in the transaction;
- Description of any provisions or limitations imposed as a result of entering into the proposed transaction;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- Any other relevant information regarding the transaction.

Directors, Officers and Immediate Family Members who share a household may not invest in partnerships or other investment opportunities sponsored, or otherwise made available, by the Company unless their participation is approved in accordance with this Policy. Such approval shall not be required if the investment opportunity: (i) is offered to qualified employees and investment by Officers is approved by the Audit Committee; (ii) is made available to an Officer actively involved in a business unit, the principal activity of which is to make such investments on behalf of the Company, and is offered pursuant to a co-investment plan approved by the Company; or (iii) is offered to Officers on the same terms as those offered to qualified persons who are not employees of the Company.

Except with the approval of the Audit Committee, no Director or Officer may invest in a third-party entity if the investment opportunity is made available to him or her as a result of such individual's status as, respectively, a Director or an Officer of the Company.

#### ***2.4 RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY***

In the event the Company becomes aware of a Related Party Transaction with a Related Person that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. It shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, including the items listed in Section 2.3 above, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Company under this Policy, and shall take any such action it deems appropriate.

### **3. PRE-APPROVED RELATED PARTY TRANSACTIONS**

The Company has determined that each of the types of Related Party Transactions listed below shall be deemed to be pre-approved or ratified, even if the aggregate amount involved exceeds \$120,000 and shall not require review or approval by the Audit Committee.

- a) *Transactions with BrightSphere Investment Group plc set forth or referenced in the Shareholder Agreement.*
- b) *Employment of Officers.* Any employment by the Company of an Officer of the Company if:

- i. the related compensation is required to be reported in the Company's proxy statement under Item 402 of SEC's compensation disclosure requirements (generally applicable to "named executive officers") and such information is reported; or
  - ii. the Officer is not an Immediate Family Member of another Officer or Director of the Company and the related compensation would be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements if the Officer was a "named executive officer," and the Company approved (or recommended that the Board approve) such compensation.
- c) *Director compensation.* Any compensation paid to a member of the Board if the related compensation is required to be reported in the Company's proxy statement under Item 402 of the SEC's compensation disclosure requirements.
- d) *Certain transactions with other companies.* Any transaction with another company with which a Related Person's only relationship is as (i) an employee (i.e., the Related Person is not the equivalent of an Officer), (ii) a beneficial owner of less than 10% of that company's outstanding equity, or (iii) in the case of partnerships, a limited partner, if the aggregate amount involved does not exceed the greater of \$1,000,000 or 2 percent of that company's total annual revenues.
- e) *Ordinary course transactions.*
  - Any financial services, including brokerage services, banking services, loans, insurance services and other financial services, provided by the Company to any Director or any Immediate Family Member of a Director, provided that the services are on substantially the same terms as those prevailing at the time for comparable services provided to non-affiliates.
  - All business relationships, lending relationships, deposit and other banking relationships between the Company and a Director's primary business affiliation or the primary business affiliation of an Immediate Family Member of a Director made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions.
- f) *Certain Company charitable contributions.* Any charitable contribution, grant or endowment by the Company to a charitable organization, foundation or university where a Related Person is an employee, if the aggregate amount involved does not exceed the lesser of \$1,000,000 or 2 percent of the charitable organization's total annual receipts.
- g) *Transactions where all shareholders receive proportional benefits.* Any transaction where the Related Person's interest arises solely from the ownership of the Company's securities and all holders of the Company's securities received the same benefit on a pro rata basis (e.g., dividends).
- h) *Regulated transactions.* Any transaction with a Related Person involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.
- i) *Certain banking-related services.* Any transaction with a Related Person involving services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.