

North Carolina Department of State Treasurer Placement Agent,
Political Contribution, and Connection Disclosure Policy

Form Disclosure Letter for Placement Agents

From: The Placement Agent listed below

To: The Treasurer of the State of North Carolina
325 North Salisbury Street
Raleigh, North Carolina 27603-1385

Re: Disclosure Letter pursuant to Placement Agent and Political Contribution Policy

Ladies and Gentlemen:

Under the Placement Agent, Political Contribution, and Connection Disclosure Policy (the "Policy") adopted by the Treasurer of the State of North Carolina (the "Treasurer"), the Treasurer requires Investment Managers and Placement Agents to make disclosures at certain times specified by the Policy. Pursuant to and in accordance with the Policy, the undersigned Placement Agent hereby makes the following disclosures. Capitalized terms not otherwise defined in this Disclosure Letter have the same meanings as specified in the Policy.

1. Basic Information

Name of Investment Manager:	MHR Fund Management LLC
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This letter is submitted in connection with the below-listed Investment Transaction.

List below the name of the fund in which the Treasurer is investing. For investment management agreements, list the name of the separate account or the name of the investment strategy.

MHR Institutional Partners IV LP

This form is submitted in connection with an amendment to the Investment Agreement or a proposed consent to amend the Investment Agreement. *If this box is checked, provide responses on this form based on the amendment, not based on the original contract.*

This form is an update to a previously submitted disclosure letter.

2. Disclosures and Representations Concerning Placement Agent

2.1. Use of Placement Agent

The below-signed person or entity confirms that it is serving as a Placement Agent for the Investment Transaction listed above.

2.2. Representations

The Placement Agent hereby confirms and represents:

- a. The Placement Agent is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association;
- b. The individual officers, partners, principals, employees, or other representatives of the Placement Agent hold all required securities licenses; and
- c. The Placement Agent is in the habitual systematized business of acting as a Placement Agent.

The Placement Agent hereby confirms and represents, to the best of its knowledge:

- d. No placement fee has been, or will be, shared with any person or entity not so registered;
- e. Other than as disclosed in this document, no Placement Agent is being, or will be, compensated, directly or indirectly, to assist the Investment Manager in obtaining investments from, or business with, any of the NC Funds; and
- f. The Investment Manager, not the Treasurer or the NC Funds, shall bear the entire cost of all Placement Agent fees and expenses disclosed in this document.

2.3. Placement Agent Information

- a. The name of the Placement Agent is:

UBS Securities LLC ("UBS") through The Private Funds Group (the "UBS PFG Team" or "UBS PFG"). UBS is an affiliate of UBS AG, a global financial services firm offering wealth management, investment banking, asset management and business banking services to clients. Note that all responses, including pursuant to Section 6 ("Signature"), are, unless otherwise indicated, limited to the best of our knowledge and to the UBS PFG Team. Also, for the avoidance of doubt, any updates to this Disclosure Letter required by Section 6 hereof shall not be required for responses to Sections 3.3 – 3.6 hereof (inclusive).

- b. Is the Placement Agent an affiliate or employee of the Investment Manager?

Yes No

Note that the definition of "Placement Agent" includes not only third parties, but also employees or affiliates of an Investment Manager who were used or compensated to

assist in obtaining North Carolina business and who were subject to registration with the Securities and Exchange Commission or the Financial Industry Regulatory Association.

- c. The names of the Placement Agent personnel who have played a role in marketing or outreach for the Investment Transaction are:

Peter Brown

- d. The following Placement Agent personnel will receive Compensation, directly or indirectly, as a result of the NC Funds' investment in the Investment Transaction:

Any compensation received by UBS Securities LLC as a result of the NC Funds' investment in the Investment Transaction is not directly shared with the UBS PFG Team. Rather, the UBS PFG Team's compensation is directly related to the overall performance of UBS Securities LLC.

Note that throughout this Disclosure Letter, "Compensation" to a Placement Agent is deemed to include a flat fee, contingent fee, or any other form of tangible or intangible compensation or benefit. See the Policy's definitions for further details.

- e. The officers, partners, or principals of the Placement Agent, not listed above, are:

Jake Elmhirst is the Head of the UBS PFG Team within UBS Securities LLC. The Managing Directors within the UBS PFG team's fundraising practice are: Peter Brown, Kevin Kuryla, Martin Voelker and Philip Yau. In addition, Stephen Carre, an Executive Director within UBS PFG, manages the MHR Institutional Partners IV LP mandate for UBS PFG.

- f. **Attached** is a resume (or other summary) for each person listed above detailing the person's education, work experience and professional designations.

Below are biographies for Jake Elmhirst, Peter Brown, Kevin Kuryla, Martin Voelker, Philip Yau and Stephen Carre.

Jake Elmhirst, Managing Director, Head Private Funds Group, New York

Jake Elmhirst heads up Primary Private Equity and Infrastructure fundraising in the Americas. He joined UBS Investment Bank in London in 1996 and has over 15 years of experience of providing advice on the formation and restructuring of investment funds. He co-founded the UBS Private Funds Group in 1998. UBS Private Funds Group is one of the largest and most active private fund placement agents with a team of over 50 individuals located in the US, Europe and Asia. Jake relocated from London to the US in 2000 to assist in the build out of the Private Funds Group's US platform. Prior to joining UBS he completed his solicitors' articles with Freshfields in London and spent three years

in the Freshfields corporate tax department focusing on investment funds. Jake graduated from Bristol University with a degree in law and is a qualified solicitor in the UK.

Peter M. Brown, Managing Director, North American Distribution, New York

Peter Brown joined UBS PFG in 2004 from Credit Suisse First Boston where he was a Vice President in the Investment Banking Division. Prior to joining Credit Suisse First Boston, Peter worked within Donaldson Lufkin & Jenrette's Investment Banking Division, at KPMG Consulting and at American International Group. Peter earned an M.B.A from Columbia Business School and a B.A. from Dartmouth College.

Kevin Kuryla, Managing Director, Co-Head of North American Distribution, New York

Kevin joined the UBS PFG in 2003 where he is Co-Head of North American Distribution. He is charged with raising capital from institutional limited partners for domestic and international buyout, venture capital, growth equity, distressed, energy and infrastructure funds. Prior to joining UBS, he served in a number of operating and functional roles at an emerging telecom company, RCN Corporation. These included: Head of Investor and Public Relations, Senior Director of the Internet Division, CEO of a portfolio company, as well as capital raising efforts. For six years prior to business school, he was a leading property/casualty producer for the Wausau Insurance Companies in the greater Boston area. Kevin received his MBA from the Amos Tuck School of Business at Dartmouth College and a BS from Fairfield University.

Marty Voelker, Managing Director, Primary Advisory, New York

Marty Voelker joined the firm in 2003 from Citigroup Global Markets, where he was a Vice President in the Private Funds Group. Marty has experience with a wide variety of fund placements in the U.S., Europe and Asia including leveraged buyout, venture capital, real estate, distressed debt and mezzanine funds. Prior to Citigroup, Marty was an attorney at Kirkland & Ellis, where he specialized in leveraged buyout and venture capital transactions. Marty received a J.D. and B.A both from the University of Pennsylvania.

Philip Yau, Managing Director, Co-Head of North American Distribution, San Francisco

Philip Yau joined the firm in 2005 and co-heads North America distribution, leads coverage of limited partners in Canada and on the West Coast, and is active in the origination of primary fund raises and secondary LP transactions. He has worked in corporate finance/investments since 1991 and specifically with raising private funds since 2002. Prior to joining to UBS, Philip was a senior placement agent with Probitas Partners, a technology venture capitalist with Viventures and an investment banker with Montgomery Securities and S.G. Warburg. Philip earned an AB from Princeton University and an MBA from Northwestern University.

Steve Carre, Executive Director, Primary Advisory, New York

Steve joined the UBS Private Funds Group in 2008. Prior to UBS, Steve worked with Knight Capital Partners advising and assisting private equity firms in capital raising capital. Earlier in his career, Steve worked with PricewaterhouseCoopers, both in the Office of the VC/CFO and with the Transaction Services team. Steve also worked with BancBoston Capital, focusing on buyout and growth equity investments. Steve earned an MBA from Columbia Business School and a BA from Middlebury College.

- g. Are any persons listed above, or any other Placement Agent officers, partners, and/or principals, current or former (i) North Carolina State Treasurers; (ii) Investment Advisory Committee members; (iii) North Carolina Department of State Treasurer employees, contractors, or consultants; or (iv) members of the Immediate Family of persons listed in (i) to (iii) above?

Yes No

If your answer is "Yes," list the persons and identify whether those persons would receive a financial benefit from the Investment Transaction.

2.4. Recent Management of North Carolina Investments by Investment Manager

To the Placement Agent's knowledge, the Investment Manager (or its affiliate) currently manages an NC Funds investment or has managed an NC Funds investment within the last two years. *If this box is checked, Department policy bars the Compensation of any third-party Placement Agent (in other words, a Placement Agent who is not an employee or affiliate of the Investment Manager) in connection with the Treasurer's investment in the Investment Transaction.*

To the Placement Agent's knowledge, the Investment Manager (or its affiliate) has not managed an NC Funds investment within the last two years.

2.5. Whether Placement Agent is Being Compensated

The Placement Agent is not being Compensated, directly or indirectly, as a result of the Treasurer's investment in the Investment Transaction. *If this box is checked, skip question 2.6.*

The Placement Agent is being Compensated, directly or indirectly, as a result of the Treasurer's investment in the Investment Transaction.

2.6. Terms of Placement Agent Compensation and Placement Agent Agreement

Check one of the three boxes below. You may attach additional pages.

Attached are the provisions of the Investment Manager's contract with the Placement Agent that describe the Placement Agent's Compensation and services. These provisions describe any and all Compensation of any kind provided or agreed to be provided to the Placement Agent.

Please see below for descriptions of UBS PFG's services to be provided and compensation for acting as placement agent for MHR Institutional Partners IV LP (the "Fund") as agreed to between UBS Securities LLC and MHR Institutional Advisors IV LLC (the "General Partner") and the Fund (together with the General Partner, the "Company").

1. Services

UBS will use reasonable best efforts to provide the Company, if requested, the following services:

- (i) advice with respect to the form and structure of the Fund;
- (ii) advice with respect to the minimum and maximum amounts of purchaser subscriptions to be sought;
- (iii) advice with respect to current market conditions and the projected internal rates of return that may be required to obtain purchaser subscriptions in current market conditions;
- (iv) advice with respect to the reports purchasers may expect to receive and other terms that investors may desire;
- (v) assisting the Company in the preparation of a confidential private placement memorandum and any supplements and amendments thereto and in the preparation of a due diligence package for prospective purchasers;
- (vi) identification of prospective purchasers in the Fund and keeping a list of all prospective purchasers contacted, and to the extent feasible, a record of the level of interest of prospective purchasers;
- (vii) consultation as to strategy and tactics for initiating discussions and negotiations with prospective purchasers;
- (viii) assisting the Company on a reasonable best efforts basis in the placement of the Securities with prospective purchasers and managing and arranging the procedure for such placement with prospective purchasers;
- (ix) assisting the Company in satisfying disclosure requirements or responding to reasonable requests in accordance with laws, rules or policies applicable to

investors or prospective investors, including after the Engagement Period, solely to the extent such disclosure requirements or requests relate to the services provided by UBS in respect of the Placement; and

- (x) providing such other services in connection with the Placement as may be agreed upon from time to time by UBS and the Company.

2. Compensation

Pursuant to the agreement between UBS Securities LLC and the Company, UBS Securities LLC will be compensated with a non-contingent advisory fee and a fee based on a percentage of commitments raised from certain limited partners, as defined and agreed upon by the Company and UBS Securities LLC. Notwithstanding anything herein to the contrary, no compensation shall be payable by the Company to UBS Securities LLC in respect of a limited partner if such payment is prohibited by (i) any U.S. law, regulation or governmental order applicable to the General Partner, the Manager, the Fund or such limited partner, or (ii) any written and publicly available policy or code of conduct maintained by such limited partner.

The contract or arrangement between the Investment Manager and the Placement Agent is oral, not written. Below is a description of the terms of that oral contract that create an obligation to pay a fee to or for the benefit of any Placement Agent, including but not limited to a description of all terms concerning Compensation of any kind provided or agreed to be provided to any Placement Agent. This description includes the nature, timing and value of such Compensation.

The Placement Agent is an employee of the Investment Manager. Below is a general disclosure providing the employee's role and responsibilities and stating any known effect on the employee's Compensation that is directly attributable to the NC Funds' proposed investment.

2.7. Actions and Investigations Involving Placement Agent

Check one of the two boxes below.

- a. Has the Placement Agent (or any officer, partner, principal or affiliate thereof) been the subject of a non-routine inquiry, action, or investigation by a federal, state, or local government agency or regulatory body in the last ten (10) years?

Yes No

If your answer is “Yes,” describe any such actions or investigations. Attach additional pages as necessary.

The UBS Private Funds Group is a business division of UBS AG, a publicly traded company (NYSE: UBS). UBS PFG markets private equity funds to limited partners in the U.S. through UBS Securities LLC, an indirect subsidiary of UBS AG. UBS Securities LLC, like most large, full-service investment banks and broker-dealers, is subject to routine and non-routine inquiries, examinations, actions and investigations by the SEC, the NYSE and various other U.S. and non-U.S. regulatory organizations and government agencies. UBS Securities LLC fully cooperates with the authorities in all such requests.

UBS Securities LLC regularly reports to the Financial Industry Regulatory Authority, Inc. on Form BD (see <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>). These reports, which include disclosure of regulatory and judicial actions, are publicly available. UBS Securities LLC is a wholly-owned subsidiary of UBS AG, a publicly-owned Swiss banking corporation which files annual reports on Form 20-F with the SEC, and also files quarterly reports and certain other material information with the SEC under cover of Form 6-K. These reports include information about material litigation and administrative proceedings. These reports are also publicly available.

There are no inquiries, examinations, actions or investigations involving UBS PFG reported on Form BD for UBS Securities LLC or on UBS AG's annual reports, quarterly reports or other filings made with the SEC; please refer to Form BD or such reports or filings for any such inquiries, examinations, actions or investigations that may occur in the future.

- b. Does the Placement Agent (or any officer, partner, principal or affiliate thereof) anticipate being the subject of such inquiries, actions or investigations in the future?

Yes No

If your answer is “Yes,” describe any such actions or investigations. Attach additional pages as necessary.

Please refer to the response to Question 2.7 (a) above.

2.8. Registration of Placement Agent and Licensing of Placement Agent Representatives

- a. The Placement Agent's registration details are as follows:

UBS Securities LLC is a registered FINRA broker dealer (CRD#7654) and is also a registered SEC broker dealer (SEC#8-22651). As part of a global diversified financial services firm, UBS has additional affiliates registered with other securities regulators globally.

- b. For each individual officer, partner, principal, employee and other representative of the Placement Agent, the registrations, number of years of employment by the Placement Agent and the number of years of experience directly related to such business are as follows (attach additional pages as necessary):

The members of the UBS PFG Team hold the requisite securities licenses with FINRA for their respective positions.

Jake Elmhirst holds Series 7, Series 79, Series 24 and Series 63 licenses. Jake co-founded UBS PFG in 1998 after joining UBS Investment Bank in London in 1996 and has 16 years of private equity fundraising experience.

Peter Brown holds Series 7, Series 79 and Series 63 licenses. Peter joined UBS PFG in 2004 and has 10 years of private equity fundraising experience.

Stephen Carre holds Series 7, Series 79 and Series 63 licenses. Stephen joined UBS PFG in 2008 and has 9 years of private equity fundraising experience.

Kevin Kuryla holds Series 7, Series 79 and Series 63 licenses. Kevin joined UBS PFG in 2003 and has 14 years of private equity fundraising experience.

Martin Voelker holds Series 7, Series 79, Series 24 and Series 63 licenses. Martin joined UBS PFG in 2003 and has 13 years of private equity fundraising experience.

Philip Yau holds Series 7, Series 79 and Series 63 licenses. Philip joined UBS PFG in 2005 and has 14 years of private equity fundraising experience.

3. Connections or Relationships

3.1. Conflicts

- a. Are any personnel, officers, directors, partners and/or principals of the Placement Agent current North Carolina Department of State Treasurer employees, persons who serve as consultants or contractors for the Department's Investment Management Division, or Investment Advisory Committee members?

Yes No

If the answer is "Yes," enclose a statement providing further information.

- b. Will any current North Carolina Department of State Treasurer employees, persons who serve as consultants or contractors for the Department's Investment Management Division, or Investment Advisory Committee members receive a financial benefit to themselves or to a member of their Immediate Family derived from the Compensation provided to the Placement Agent for the Investment Transaction?

Yes No

If the answer is "Yes," enclose a statement providing further information.

3.2. Recommendations of Placement Agent

- a. To the Placement Agent's knowledge, did a current or former Treasurer, Department of State Treasurer employee, Investment Management Division contractor or consultant, or member of the Investment Advisory Committee suggest to the Investment Manager that it retain the Placement Agent?

Yes No

If your answer is "Yes," list the person who suggested retention of the Placement Agent.

- b. To the Placement Agent's knowledge, did a current or former Treasurer, Department of State Treasurer employee, Investment Management Division contractor or consultant, or member of the Investment Advisory Committee suggest to the Department's investment staff that the Placement Agent be retained for the Investment Transaction?

Yes No

If your answer is "Yes," list the person who suggested retention of the Placement Agent.

3.3. Family Relationships

Are any of the persons listed in box (1) a member of the Immediate Family of a person listed in box (2)?

Box (1)	Box (2)
<ul style="list-style-type: none">• The State Treasurer• Department of State Treasurer Senior Staff• Members of the Investment Advisory Committee• Investment Management Division Senior Staff• Investment Management Division staff who played a role in due diligence for the Investment Transaction	<ul style="list-style-type: none">• Any person associated with the Placement Agent listed in the responses to Question 2.3

Yes No

If your answer is “Yes,” list the persons and describe the relationship.

The following questions ask about past or present connections, friendships, or relationships that may exist between the Treasurer’s staff and the staff of any Placement Agent. Some types of connections or relationships are the ordinary result of doing business. The Treasurer’s Compliance Counsel will evaluate this form to determine whether recusal, additional due diligence, or other actions are required.

3.4. Former Department Personnel or Officials

Are any Placement Agent personnel former North Carolina Department of State Treasurer employees or contractors, North Carolina State Treasurers, or Investment Advisory Committee members?

Yes No

If your answer is “Yes,” list the persons and identify whether those persons would receive a financial benefit from the Investment Transaction.

3.5. Prior Working Relationships

List below any professional or working relationships that Placement Agent personnel listed in the responses to Questions 2.3(c) or (d) have had in the past with persons who are now Investment Management Division personnel, Investment Management Division consultants or contractors, the State Treasurer, or Department of State Treasurer Senior Staff.

Please list in this section any occasions where persons worked together on the same projects at the same company, at the same fund, or as part of a client-consultant relationship. You need not list prior occasions in which an Investment Manager utilized the Placement Agent to market a potential investment to the Department of State Treasurer.

To the best of our knowledge, there have been no past professional or working relationships between UBS PFG professionals listed in Questions 2.3(c) or (d) and those persons who are now Investment Management Division personnel, Investment Management Division consultants or contractors, the State Treasurer, or Department of State Treasurer Senior Staff.

3.6. Social Connections

List below any social connections or relationships between Placement Agent personnel listed in the responses to Questions 2.3(c)-(d) and Investment Management Division personnel, Investment Management Division consultants or contractors, the State Treasurer, or Department of State Treasurer Senior Staff.

Please list in this section any pre-existing relationships involving social contacts outside of business.

To the best of our knowledge, there are no social connections or relationships between UBS PFG professionals listed in Questions 2.3(c) or (d) and those persons who are now Investment Management Division personnel, Investment Management Division consultants or contractors, the State Treasurer, or Department of State Treasurer Senior Staff.

4. Lobbying Information

Check one of the two boxes below.

The Placement Agent (and/or any officer, employee, partner, principal or affiliate thereof) is registered as a lobbyist with a state government. If this box is checked, the following are the names and positions of such persons and the registrations held (attach additional pages as necessary):

As of November 11, 2014, UBS Securities LLC is registered as (i) a lobbyist client in the state of New York; and (ii) a lobbyist employer in the state of California and has employees registered as lobbyists in that state. In addition, the following UBS Securities LLC affiliates are registered as lobbyists: UBS Americas Inc. is a federal lobbying registrant and an employer of registered lobbyists; UBS Global Asset Management Americas and UBS Realty Investors are lobbyist employers in California and have employees registered in that state.

Neither the Placement Agent nor any officer, employee, partner, principal or affiliate thereof is registered as a lobbyist with any state government.

5. Political Contributions

5.1. Representation

The Placement Agent hereby confirms and represents that none of the Placement Agent and its respective officers, partners, principals or affiliates has made, coordinated or solicited any Political Contribution to the Treasurer or any incumbent, nominee, candidate or successful candidate for such elective office (i) in violation of applicable state or federal law or (ii) in a manner that would make it unlawful, under the SEC Rule, for the Investment Manager (or its affiliate) to seek compensation for services to the Treasurer and/or the NC Funds.

Confirmed.

5.2. Disclosure

During the last five years from the date of this letter, have the Placement Agent or its respective officers, partners, principals or affiliates made, coordinated, or solicited any Political Contributions for the campaign of (a) any incumbent, nominee, or candidate for North Carolina State Treasurer or (b) for the campaign of the current State Treasurer running for a different office?

Yes No

If your answer is “Yes,” list applicable Political Contributions below.

Date	Person or company making, coordinating, or soliciting	Person or entity receiving	Amount

[Signature Page Follows]

6. Signature

I declare under penalty of perjury that the foregoing is true and correct. I shall provide the Treasurer with a written update of any material changes to any of the information in this Disclosure Letter within fourteen (14) days from the date I knew or should have known of the change of information.

Sincerely,


_____,
on behalf of the Placement Agent listed above

By: JAMES BENNETT
(print name)

Title: MANAGING DIRECTOR

Date: 1.8.15


_____,
on behalf of the Placement Agent listed above

By: Petr Brown
(print name)

Title: Managing Director

Date: 1/8/15