

Qatalyst Partners

Business Continuity Statement

Client Disclosure for Business Continuity

Qatalyst Partners LP (the “Firm”) maintains a Business Continuity Plan (“BCP”) that is designed to ensure the continuation or prompt resumption of our business in the event of a significant business disruption (“SBD”). Such a disruption might include a blackout, an act of terrorism, severe weather, or natural disaster that disrupts our business and/or facilities. The Firm’s BCP calls for us to contact clients in the event that a significant business disruption is expected to impede client business. In the event of a SBD, the Firm will make reasonable effort to contact clients promptly if we perceive that the event may impede or significantly delay that client’s business.

Firm Objectives

Our Firm’s Business Continuity Plan as been designed to address the following areas in the event of a significant business disruption:

- To ensure and maintain the safety and security of all of the Firm’s employees, consultants, temporary employees, trainees and interns.
- To provide all staff of the Firm with procedures that will support a clear and focused response to an occurrence.
- To provide the Firm’s management and staff with sufficient information so that they can continue business and meet corporate commitments and client needs.
- Minimize damage to business operations resulting from an emergency, by instituting a pre-determined and validated response mechanism and organizational structure.

Scope

“Significant disruption” refers to local or regional events such as natural disasters, fires, power outages, acts of malice, and technical or infrastructure disruptions. SBDs can range in level from building-specific events to regional issues. In the event of a SBD, our aim is to quickly resume business operations after (a) safeguarding our employees and property, (b) making a financial and operational assessment of the situation, and (c) protecting the Firm’s books and records. The scope of business operations our BCP addresses include:

- Data backup and recovery of all mission-critical systems
- Financial and operational assessments
- Alternate avenues of communication with our clients, employees, and regulators
- Alternate physical locations in which to conduct business
- Mission Critical Systems
- Regulatory reporting

Data Backup and Recovery

Hard Copy Backup: In the event of an internal or external SBD that causes the loss of our paper records, we will physically recover them from our back-up site. If our primary site is inoperable,

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we will continue operations from our back-up site or an alternate location.

Electronic Backup: For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our back-up site, or, if our primary site is inoperable, continue operations from our back-up site or an alternate location.

Financial and Operational Assessments

Operational Risk: Our BCP addresses the Firm's ability to maintain communications with clients, employees, critical business constituents, critical banks, critical counter-parties, and regulators and to retrieve key activity records through its mission critical system.

Financial and Credit Risk: Our BCP addresses the Firm's ability to fund operations and maintain adequate financing and sufficient capital.

Maintaining Communications with

The Firm will establish and maintain communications through the most reliable and appropriate methods reasonably available given the severity of the SBD. This will include utilizing telephones, mail, e-mail or facsimile to communicate with clients, employees, and regulators.

Alternative Business Locations

In the event of a SBD, the Firm will transfer operations to a predetermined disaster recovery site located in San Francisco with a target recovery time of no greater than twenty-four hours. In the event of an internal or external SBD, if telephone service is available, our personnel will to the extent possible continue client business through telephonic and electronic means.

Mission Critical Systems

The Firm engages in investment banking activities. The Firm's mission critical systems are those that ensure communication with clients, with other broker-dealers, and with transaction participants to ensure that transactions progress notwithstanding the occurrence of a SBD. Our BCP establishes procedures that enable the Firm to continue our business operations through (a) our alternate physical location or (b) at other locations that are decided upon by our senior management.

Regulatory Reporting

In the event of a SBD, we will contact the SEC, FINRA, and other regulators to determine which means of reporting are available to us, and use the means closest in speed and form (written or oral) to our previous filing method. If we cannot contact our regulators, we will continue to file required reports using the communication means available to us, and we will keep hard copies of all filed materials.

Updates and Annual Review

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The Firm continuously tests throughout the year to improve our policies and procedures. Although we have taken significant steps to develop and implement sound business recovery plans, we cannot guarantee that systems will always be available or recoverable after a disaster or significant business disruption. However, we believe that our planning for such events is robust and consistent with many of the best practices established within the industry. As a result, the Firm's BCP is reviewed periodically and subject to modification without notice. Any material changes to the above information will be available on our website or upon request. If you have further questions about our BCP or wish to receive a copy of our BCP, please contact our office at 415-399-7884 or visit our website at www.qatalyst.com.