Conflicts of interests policy

The identification and rigorous management of conflict of interests situations are prerequisites for any investment for B & Capital.

In the case of the Fund, this dimension takes on particular meaning as the alliance between B & Capital and Roland Berger, while strongly creative of value and beneficial to subscribers, may create potential specific conflict of interests situations.

The Team is therefore particularly keen to establish and apply a very strict policy to prevent and manage conflict of interests situations liable to occur in management of the Fund.

It is primarily essential to point out that:

- B & Capital is independent with the Team being a majority shareholder;
- Investment and divestment decisions are taken by the Company's Investment and Divestment Committee, with no external involvement or interference, from Roland Berger, its partners or consultants;
- B & Capital possesses all the resources to conduct business independently, notably in terms of secure access to premises and protected information and storage systems;
- The Compliance function is autonomous and separate from the Investment Team.

Conflict of interests management is based on:

1. the prevention of conflict of interests;
2. the handling of conflicts should a conflict of interests arise.

The conflict of interests prevention policy

B & Capital has defined a conflict of interests prevention policy and recorded all conflict of interests situations likely to occur during exercise of its activity.

These situations are mainly of two kinds.

“Internal” conflict of interest

This arises from the management of private equity vehicles:

- assignment of investment opportunities;
- co-investment between vehicles managed;
- co-investment between Company staff;
- complementary investments;
- transfers of holdings, etc..

“External” conflict of interest

This comes from interaction between B & Capital’s investment activity and Roland Berger’s consulting activity:

- disclosure of confidential information and no or insufficient Chinese Walls;
- B & Capital’s positioning on a transaction where Roland Berger is acting as a consultant either for the target or for the vendor or another buyer, etc.

Conflict of interest prevention principles

The prevention of conflict of interests involves various measures, depending on whether the conflict of interest is:

- “internal”, i.e. not involving Roland Berger;
- “external”, i.e. involving Roland Berger in some respect.

“Internal” conflict of interest

In cases of “internal” conflict of interest, prevention is based on application of the usual procedures, such as:

- rules for distributing opportunities between vehicles in proportion to their residual investment capacity;
- co-investment by the management team without negative selection and hand-in-hand with investment vehicles;
- systematic involvement of a third party at a significant level, in the event of complementary investment;
- no fund-to-fund transfers, etc.

“External” conflict of interest

Two types of action are implemented to guard against conflict of interest with Roland Berger:

1. The setup of “Chinese Walls” to guarantee the confidentiality of information and independence of opinions and decisions on either side of the Chinese Wall;
   - Two main consequences (i)
2. Application of the exclusion rule: Roland Berger cannot advise B & Capital and another participant on the same target. The first call rule applies.
   - Three procedures implemented (ii)

Conflict of interest management

When a conflict of interests is confirmed "proven" on the basis of this opinion, B & Capital will endeavour to solve it as soon as possible.

A distinction must be made between internal and external conflicts of interests in terms of resolution.

"Internal" conflict of interest

The resolution of internal conflict of interest is based on seeking a suitable solution and preserving the primacy of a customer's interests

Suitable provisions generally emanate from the AFIC code of ethics.

If applicable, arbitration by B & Capital senior management is necessary to implement the most appropriate solution.

"External" conflict of interest

Conflict of interest between B& Capital and Roland Berger will be resolved by the Extended Coordination Committee (i).

This committee will endeavour to resolve conflict of interest situations, ensuring the Chinese Wall rules and exclusion previously indicated are met.

These decisions will be documented but only made public if it proves necessary - to obtain approval from the Fund Advisory Committee for example (see below).

Unsolved conflict of interests situations

A distinction must be made between internal and external conflict of interest situations.

"Internal" conflict of interest

In the event of unresolved conflict of interest, B & Capital informs the Advisory Committee of the nature of this conflict of interest and its consequences before acting.

The Advisory Committee will decide whether or not the operation presented is authorised.

"External" conflict of interest

In the event of unresolved conflict of interest, each party should consult with its customer before deciding whether to go ahead with the operation or drop out:

- For B & Capital, customer approval must be sought from the Advisory Committee;
- For Roland Berger, the firm will be responsible for obtaining prior consent from the customer;

The Extended Coordination Committee will decide which party is to drop out of the operation, depending on the result of consultation with respective customers.

This decision is made with the obligations to their respective customers taken into consideration.