

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO PURCHASE INTERESTS IN THE FUND IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE.

CEE LONG HOLD EQUITY FUND LP

("THE FUND")

An Alternative Investment Fund established in the form of a Limited Partnership under the laws of the Republic of Cyprus and exclusively addressed to Professional and/or Well-Informed Investors

PRIVATE PLACEMENT MEMORANDUM

10 FEBRUARY 2020

This Private Placement Memorandum is being furnished on a confidential basis solely for the information of the person to whom it has been delivered on behalf of CEE LONG HOLD EQUITY FUND LP. Each person accepting this Private Placement Memorandum agrees to return it to the Partnership promptly upon request. Any distribution or reproduction of all or any part of this this Private Placement Memorandum agrees or divulging its contents other than as specifically set forth herein is unauthorized.

This Offering Memorandum is not an offer to sell and is not a solicitation of an offer to subscribe for Partnership Interest in any jurisdiction where such offer or sale is not permitted.

There is no market for the Partnership's Interest described herein and none is expected to develop. Any direct or indirect transfer or assignment of Interest will be subject to the prior consent of the General Partner in its sole and absolute discretion and the other applicable conditions set forth herein. Units are subject to certain restrictions and may be redeemed as described herein.

THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM SHOULD NOT BE CONSIDERED AS INVESTMENT, LEGAL OR TAX ADVICE. IN MAKING AN INVESTMENT DECISION THE ADDRESS MUST RELY ON THEIR OWN EXAMINATION OF THE PARTNERSHIP AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE CYPRUS SECURITIES AND EXCHANGE COMMISSION HAS APPROVED THE CONTENT OF THIS PRIVATE PLACEMENT MEMORANDUM ONLY AS REGARDS TO MEETING THE INFORMATION REQUIREMENTS TOWARDS THE INVESTORS AS DEFINED IN THE ALTERNATIVE INVESTMENT FUND LAW. THE APPROVAL OF THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT IMPLY RECOMMENDATION TO INVESTORS FOR INVESTMENT IN THE PARTNERSHIP. BEFORE MAKING A DECISION FOR INVESTING, INVESTORS ARE ENCOURAGED TO SEEK ADVICE FROM THEIR FINANCIAL ADVISOR AND/OR ANY OTHER PROFESSIONAL ADVISER THEY MAY WISH.

**THE PARTNESHIP IS ADDRESSED TO PROFESSIONAL OR/AND WELL-
INFORMED INVESTORS**

**THE AIF HAS APPOINTED A DEPOSITARY IN ACCORDANCE WITH SECTION 26
(3) OF THE AIF LAW**

CONTENTS

Section	Page
1. Fund Structure and governance	21
2. Investment Objective and Policy	28
3. Offer	31
4. Transfer of Interests.....	40
5. Withdrawal	41
6. Distributions	42
7. Fees and Expenses.....	47
8. Determination of the net asset value	51
9. Investors' Meeting.....	56
10. Information available to the Partners	57
11. Dissolution and Liquidation	58
12. Taxation.....	59
13. Risk Factors and Investment Considerations	64
14. Conflicts of Interests	75
15. Data Protection	76
16. Amendment of Fund Documents	76
17. Confidentiality.....	76
18. Applicable Law	76
Schedule A	78
Schedule B	85

DISCLAIMER

CEE LONG HOLD EQUITY FUND LP ("the **Fund**") is registered as a limited partnership in Cyprus under the Partnership and Business names Law, CAP 116, as amended on 24th May 2017 under registration number P12689 and has been authorised by the Cyprus Securities and Exchange Commission to operate as an Alternative Investment Fund with Licence Number AIF18/2014 in accordance with Part II of the Alternative Investment Funds Law of 2018 (the "**AIF Law**").

The Partnership acts as an externally managed AIF, where the General Partner undertakes the management function.

The Fund is reserved for Eligible Investors (as defined under section "Definitions" herein) who, on the basis of this private placement memorandum (the "**Memorandum**") and the Limited Partnership Agreement (the "**LPA**"), have made their own assessment of the conditions of their participation in the Fund. Accordingly, it is the responsibility of participating investors, especially those who may hold a minority Percentage Interest in the Fund, to determine whether their rights and obligations as Limited Partners are suitable for them. It is further noted that requirements and restrictions which may be deemed necessary/applicable for the protection of retail investors do not apply to the Partnership.

Only those particular representations and warranties, if any, which are made in the Memorandum, subject to such limitations and restrictions as may be agreed, shall have any legal effect.

This Memorandum is being furnished to "Professional" and "Well Informed" investors on a confidential basis, and by accepting this Memorandum, the recipient agrees to keep confidential the information contained herein. The information contained in this Memorandum may be shared solely with persons who are directly involved with an investor's decision regarding the investment opportunity offered hereby, including such persons providing legal, tax, and investment advice to the investor with respect to an investment in the Fund.

The Memorandum does not purport to be all inclusive or to contain all the information that a prospective Investor may desire in evaluating the Fund. Prospective investors should conduct their own investigation and analysis of the business, data and property described herein, and should also inform themselves and observe any legal and/or regulatory requirements which may be applicable to their proposed investment. Any person interested in acquiring Class A LP Interests in the Fund is recommended to seek its own legal, regulatory, tax, accounting and financial advice.

The General Partner has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. The General Partner accepts responsibility accordingly.

No person has been authorised to give any information other than that contained in the Memorandum, or to make any representation in connection with the Class A LP Interests described herein, and, if given or made, such other information or representations must not be relied upon as having been authorised by the Fund.

The investment in Class A LP Interests described in the Memorandum involves a certain degree of risk. Each prospective Investor should proceed on the assumption that it must bear the economic risk of investment in the Fund and be able to withstand a total loss of its investment. Prospective Investors should consider the risk factors contained in the Memorandum with appropriate care.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Potential investors should inform themselves as to:

- i. the legal requirements within their own countries for the admission, holding, transfer or withdrawal (as the case may be) of Partnership Interest in CEE Long Hold Equity Fund LP;
- ii. any foreign exchange restrictions which they might encounter; and
- iii. the income and other tax consequences which may apply in their own countries relevant to the admission, holding, transfer or withdrawal (as the case may be) of Partnership Interest in CEE Long Hold Equity Fund LP.

Participation in the Fund is offered solely on the basis of the information and representations contained in this Memorandum and documents expressly incorporated by reference herein. Any further information given, or representations made by any person may not be relied upon as having been authorized or approved by the Partnership and/or the General Partner and/or the Administrator should be disregarded. Neither the delivery of this Memorandum nor the subscription shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

No public offering of the Partnership Interest in any jurisdiction is being made. No action has been taken or will be taken in any jurisdiction that would permit a public offer in any such jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document. Persons into whose possession this document comes are required by the Fund to inform themselves about, and to observe any restriction as to, the placing and the distribution of this document. No application has been made for the Fund to become listed on any exchange.

The Fund has been authorized by CySEC for marketing solely to well informed and professional investors. CySEC has not set any limits or other restrictions on the investment objectives, the investment policies or on the degree of leverage, which may be employed by the Professional / Well Informed Investor Fund.

The protection measures for retail investors provided in the relevant legislation, do not apply to this Fund, which is addressed to Well Informed and Professional Investors.

The nature of the Fund's investments is such that an investment in the Fund may not be suitable for investors other than those who are knowledgeable in investment matters, are able to bear the economic risk of the investment, understand the risks involved, have no need for liquidity of investment and are confident that the investment is suitable for their particular investment objectives and financial needs.

An investment in the Fund involves significant risks. Investors should have the financial ability and the willingness to accept the risk characteristics of the type of investments proposed to be made by the Fund. (Please refer to the available "Risk Disclosures" document, which can be found in the subscription package.)

While every effort is made to ensure the accuracy, correctness, relevance, reliability and up-to-date nature of the information contained in this Memorandum, the Fund, its officers, consultants and employees assume no responsibility for its accuracy, content, completeness, use or interpretation.

Prospective Unitholders/Investors should independently rely on their own inquiries and evaluations before making decisions that touch their own interests. The General Partner has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. The General Partner accepts responsibility accordingly.

Note also that past performance may not be a reliable indicator of future results, while financial forecasts may not be a reliable indicator of future performance. This report has been compiled based on information obtained from sources the General Partner believes to be reliable, but their accuracy, completeness, or correctness cannot be guaranteed.

The Memorandum and the updates thereon shall be communicated to the Commission before their circulation.

Cautionary note about forward looking statements

Certain statements in this Memorandum constitute forward-looking statements including but not limited to the sections “Overview”, “The Fund”, “Market Information”, “Investment Information”, “Structure and Summary of Principal Terms”, and “Risk Disclosure”. In some cases, forward-looking statements can be identified by terminology such as “anticipates,” “believes,” “estimates,” “seeks,” “expects,” “plans,” “will,” “intends” and similar expressions. Although the General Partner believe that the expectations reflected in those forward-looking statements are reasonable, and have based those statements on the beliefs of, and assumptions made by the General Partner, such expectations may prove to be incorrect. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund or the General Partner, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the General Partner’s present and future business strategies and the environment in which the Fund or the General Partner will operate in the future. As these statements and financial information reflect the Directors’ current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

Among the important factors that could cause the Fund’s or the General Partner’s actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information are the condition of, and changes in, the domestic, regional and global economies that may result in changes in the business performance or disinvestment prospects of portfolio companies, changes in government laws and regulations affecting the Fund, changes in tax regime in the target countries, currency exchange rates, interest rates and other matters not yet known to the General Partner or not currently considered material by the General Partner. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the “Risk

Disclosures” document. Prospective investors are urged to consider those factors carefully in evaluating the forward-looking statements contained in this Memorandum. All subsequent written or oral forward-looking statements attributable to the General Partner or any persons acting on behalf of the General Partner are expressly qualified in their entirety by these cautionary statements.

In no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the General Partner or any other person or that these results will be achieved or are likely to be achieved. Investing in the Fund involves risks.

The forward-looking statements included in this Memorandum are made only as of the date of this Memorandum. The General Partner expressly disclaim any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in the General Partner’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based. Under no circumstances should the delivery of this Memorandum create any implication that there has been no change in the affairs of the Fund or the General Partner since the date hereof.

RESTRICTIONS ON SOLICITATIONS AND RESALE

Acquisition of Class A LP Interests in the Fund may only be effected on the basis of the Memorandum and the LPA in their final version as approved by the Cyprus Securities and Exchange Commission (the “Regulator”).

Without limitation to the following, the Memorandum does not constitute an offer to sell to, or a solicitation of an offer to subscribe from, anyone in any country or jurisdiction (i) in which such an offer or solicitation is not authorised, (ii) in which any person making such offer or solicitation is not qualified to do so or (iii) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offer of Class A LP Interests of the Fund in any country or jurisdiction where any such action for that purpose is required. Accordingly, Class A LP Interests may not be offered or sold, directly or indirectly, and neither the Memorandum nor any other information, form of application, advertisement or other document may be distributed or published in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession the Memorandum comes must inform themselves about and observe any legal restrictions affecting any subscription of Class A LP Interests in the Fund. The Fund is not making any representation or warranty to any prospective Investor regarding the legality of an investment in the Fund by such person under appropriate securities or similar laws.

It is envisaged that the Fund will appoint an alternative investment fund manager within the meaning of the AIFM Directive and its implementing laws. Prospective Investors should note that the Fund may benefit from the European passport granted by the AIFM Directive as of the moment when it's appointed alternative investment fund manager complies with the requirements of the AIFM Directive and its implementing laws.

DIRECTORY

FUND	CEE Long Hold Equity Fund LP 2 Prodromou & Demetrakopoulou 5th Floor CY-1090 Nicosia Cyprus
GENERAL PARTNER/AIFM	CEE Equity Partners Limited 2 Prodromou & Demetrakopoulou 5 th Floor CY- 1090 Nicosia Cyprus
BOARD OF DIRECTORS OF THE GENERAL PARTNER	Keith Michael Mellors Savvas Orphanides Athina Isavella Georgiou Constantinos Chiotis Neil Morrison Milne
DEPOSITARY	Bank of Cyprus Public Company Limited Custody and Trust Unit P.O Box 21472, 1599 Nicosia, Cyprus
ADMINISTRATOR	Abacus Limited Elenion Building. 2 nd Floor 5 Themistocles Dervis Street CY-1066 Nicosia Cyprus
EXTERNAL VALUER	TPA Horwath Horodko Audit Sp. z o.o. Warsaw Office Grójecka 5 02-019 Warszawa Poland
LEGAL ADVISOR	Pyrgou Vakis 9 Lambousa Street CY-1095 Nicosia Cyprus
AUDITOR	KPMG Limited 14 Espenidon Street 1067 Nicosia Cyprus

DEFINITIONS

Capitalised terms in the Memorandum shall have the meanings given to them in the below definitions.

"Accounting Date" means 31 December 2017 for the first Accounting Period and 31 December in each year thereafter or such other date as the General Partner may determine and notify to the Limited Partners or, in the case of the final Accounting Period, the date of the termination of the Partnership.

"Accounting Period" means a period ending on and including an Accounting Date and beginning (in the case of the first Accounting Period) on the commencement of the Fund or (in the case of any other Accounting Period) on the day following the last day of the preceding Accounting Period. It is clarified that the last Accounting Period shall end on the date of appointment of the liquidator pursuant to the relevant provisions of the LPA.

"Administration Agreement" means the tripartite agreement between the Fund, the General Partner and the Administrator, whereby the administrator is appointed as central administrator of the Fund

"Administrator" means Abacus Limited or any person as may be appointed to act as the administrator of the Fund from time to time responsible for, inter alia, keeping the Partnership's books and records, processing Commitments and Capital Contributions, and calculating the Net Asset Value;.

"Alternative Investment Fund" or "AIF" means collective investment undertakings, including investment compartments thereof, which;

- a) Raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and
- b) Do not require authorization pursuant to Article 9 of the Open-ended Undertakings for Collective Investment Law or pursuant to the legislation of another Member State, which harmonizes article 5 of Directive 2009/65/EC.

"AIF Law" means the Cyprus Alternative Investment Funds Law of 2018 or any other law substituting or amending the same and shall include any relevant directives and circulars issued thereunder by the Regulator to supplement the same.

"AIFM Law" means L56(I) of 2013 referred to as the Alternative Investment Fund Managers Law of 2013 as amended.

"Alternative Investment Fund Manager" or "AIFM" means any legal person whose regular business is managing one or more AIFs, Register AIFs or other eligible entities. The Fund's AIFM is CEE Equity Partners Limited, the Fund's General Partner, a limited liability company, incorporated on 25 July 2012 and existing under the laws of the Republic of Cyprus, having its registered office at 2 Prodromou & Demetrakopoulou, 5th floor, 1090 Nicosia, Cyprus authorised and supervised by CySEC, qualifying as an alternative investment fund manager within the meaning of the Law of 12 July 2013 and acting in such capacity for the Fund, or such other entity within the meaning of the Law of 12 July 2013 as may subsequently be appointed as alternative investment fund manager of the Fund.

"AIFM Directive" means the European directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amending directive 2003/41/EC and 2009/65/EC and regulations (EC) No 1060/2009 and (EU) No 1095/2010.

"Aggregate Commitments" means the aggregate amount from time to time of all the Commitments.

"Aggregate Contributions" means the aggregate amount from time to time of all Capital Contributions made by the Limited Partners to the Fund.

"Application Form" means the application form substantially in the form set out in Schedule A of this Memorandum.

"Acquisition Cost" means the acquisition cost to the Partnership of an Investment together with any fees, costs and expenses related to that acquisition including, without limitation, any tax associated therewith, in ease case which are paid or payable by the Fund.

"Associate" means:

- (a) *if the person concerned is a body corporate (other than a limited liability partnership):*
 - (i) the parent undertaking of such person or any subsidiary or subsidiary undertaking of such person or any subsidiary undertaking of any such parent undertaking; or
 - (ii) any other body corporate in which the person holds, directly or indirectly, 25% or more of any class of equity share capital or 25% or more of the economic rights of such entity;
- (b) *if the person concerned is a limited liability partnership:*
 - (i) any subsidiary or subsidiary undertaking of such person;
 - (ii) any other body corporate in which the person holds, directly or indirectly, 25% or more of any class of equity share capital or 25% or more of the economic rights of such entity; or
 - (iii) any member which is a body corporate holding 25% or more of the economic rights of such entity;
- (c) *if the person concerned is a limited partnership:*
 - (i) the general partner of such person; or
 - (ii) if the general partner of such person is a body corporate, any person who is an Associate of the general partner;
- (d) *if the person concerned is an individual or a firm or other unincorporated body:*
 - (i) any body corporate in which the person holds, directly or indirectly, 25% or more of any class of equity share capital or 25% or more of the economic rights of such entity;

provided that in no event shall a Portfolio Company be considered to be an Associate of the General Partner or the Fund.

"AMLCO" has the meaning given to it in clause 3.13.

"Auditor" means KPMG Limited, having its registered office at 14 Esperidon, 1067 Nicosia, Cyprus, in its capacity as auditor of the Fund and qualifying as an independent auditor or such other entity that may subsequently be appointed in such capacity.

"Base Currency" means the currency in which the Partnership's Interest is denominated i.e. the EURO.

"Bridge Financing" means any financing transaction involving debt or equity securities (including a loan guarantee) entered into between the Fund and a Portfolio Company or Investment Holding Entity which is intended in good faith to be on a temporary basis to facilitate the consummation or realisation of an Investment in such Portfolio Company, or otherwise in connection therewith.

"Broken Deal Expenses" means the documented costs, fees and expenses, including initial due diligence and bona-fide external professional fees, reasonably incurred in connection with proposed investments which do not proceed to completion.

"Business Day" means a day on which the banks are open for business in Cyprus for the full day (excluding Saturdays, Sundays, public holidays and bank holidays).

"Capital Account" means the capital account established for each Limited Partner in the books and records of the Fund pursuant to the relevant provisions of the LPA.

"Capital Contribution" means in relation to an Investor, the amount of its Commitment which, at the relevant time, has been drawn down (including, for the avoidance of doubt and without limitation, for the purposes of making Investments, the payment of Fund Expenses and Organisational Expenses and the payment of any other liability or obligation of the Fund) and has not been repaid in accordance with clause 6 "Distributions".

"Capital Gain" means the amount (if any) by which the proceeds of disposal of an Investment, after deduction of expenses of the Fund associated with such disposal, exceed the Acquisition Cost of that Investment.

"Capital Loss" means the amount (if any) by which the Acquisition Cost of an Investment and expenses of the Fund associated with the disposal of that Investment exceed the proceeds of disposal of that Investment.

"Capital Proceeds" means amounts determined by the General Partner to be in the nature of capital proceeds and available for distribution by the Fund or (as the case may be) already distributed by the Fund, including the Market Value of any Fund Assets distributed in specie as may be permitted hereunder.

"Capital Return" has the meaning ascribed to such term in clause 6.1 (ii).

"Carried Interest" means the sums paid or payable to the Founder Partner in respect of its entitlement to distributions of Net Income and Capital Proceeds as set out in clause 6.1 (iv).

"Central and Eastern Europe" means Poland, Hungary, Czech Republic, Slovakia, Romania, Bulgaria, Slovenia, Latvia, Lithuania, Estonia, Serbia, Croatia, Bosnia and Herzegovina, Macedonia, Montenegro, Albania, Kosovo, Austria, Ukraine, Belarus, Russia, Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Uzbekistan and Turkey.

"Class" means any class of Interests that may be available in the Fund, the assets of which shall be commonly invested according to the Investment Objective and Policy, but which may carry different features.

"Class A LP Interest" shall have the meaning given in clause 3.2

Class B LP Interests" shall have the meaning given in clause 3.2

"Close Links" means the situation between two or more persons, in which two or more persons:

- a) are linked by participation, namely ownership, directly or by way of control, of 20% or more of the capital or voting rights of a company or a limited partnership or a common fund or
- b) are linked by control, namely the relationship between a parent undertaking and a subsidiary, as referred to in article 148 of the Companies Law or a similar relationship between a natural or legal person and an undertaking; for the purposes of this paragraph, a subsidiary undertaking of a subsidiary undertaking shall also be considered to be a subsidiary of the parent undertaking of those subsidiaries or
- c) are permanently linked between them by a control relationship.

"Closing Date" means a date determined by the General Partner on which Subscription Agreements in relation to the issuance of Class A LP Interests in the Fund will be received and on which they are accepted by the General Partner.

"Commitment" means the maximum amount of capital an Investor has agreed to commit in the Fund pursuant to the terms of a the LPA or the Subscription Agreement whether or not such amount has been advanced in whole or in part and whether or not such amount has been repaid to the Investor in whole or in part.

Commitment Period" means the period commencing on the First Closing Date and ending on the earliest of:

- (a) the fifth anniversary of the Final Closing Date;
- (b) at the discretion of the General Partner the date on which at least 75% of the Commitments have been drawn down or are committed for Investments;
- (c) the date on which the Commitments have been fully drawn down and no further Commitments can arise or be made;

"Conflict of Interest" means any situation where a person, whether natural or legal or its Affiliate or Subsidiary, which has an interest of any kind or may in any way benefit or acquire any advantage whether directly or indirectly, actually or contingently in any matter, issue, business or transaction of any nature whatsoever which may contravene and/or not comply fully and/or be in competition with the Partnership and/or the business or any part thereof and/or the General Partner and/or the Investment portfolio and/or any Subsidiary or Affiliate of the Partnership and/or any entity which the Partnership may directly or indirectly control

Consent" means the consent given by the Investors either (a) by vote at an Investors' Meeting called and held in accordance with the provisions of clause 9 or (b) in writing as required or permitted pursuant to the LPA and this Memorandum as the context may require.

"Deed of Adherence" means the deed of adherence in the form approved by the General Partner from time to time that any Substitute Investor will be required to execute and which may be accepted by the General Partner, in its sole discretion and pursuant to which such Investor agrees to be bound by the terms of the Memorandum, the LPA and the relevant Subscription Agreement

"Depositary" means the legal person entrusted with at least one of the depositary tasks set out in Article 24 of the Alternative Investment Fund Managers Law. The referenced legal entity is Bank of Cyprus Public Company Limited, or any successor company appointed by the Partnership and approved by the Commission as Depositary of the assets of the Partnership.

"Defaulting Investor" means an Investor declared as such by the General Partner in accordance with clause 3.9, the relevant provisions of the LPA and the Subscription Agreement.

"Depositary Agreement" means the tripartite depositary agreement entered into between the Fund, the General Partner and the Depositary, whereby the Depositary is appointed as depositary of the Fund in accordance with the provisions of the AIF and AIFM Laws.

"Drawdown Notice" means a written notice in substantially the form set out in Schedule 3 of the LPA served on the Limited Partners by the General Partner on drawdown of their Commitments to the Fund pursuant to clause 3.8.

"Eligible Investor" means a Person who meets the definitions of either a Professional Investor or a Well-Informed Investor and is a resident in a jurisdiction where the offering of Interest is not restricted, and thus is considered as qualifying as an Investor.

"Euro or EUR" or € means the official currency of the Eurozone comprised of 19 out of 28 member states of the European Union.

Euribor means a daily reference rate, published by the European Money Markets Institute, based on the averaged interest rates at which Eurozone banks offer to lend unsecured funds to other banks in the euro wholesale money market (or interbank market). If the relevant period in respect of which interest is payable under the terms of this Agreement is longer than three months, then the rate of interest on an unpaid sum shall be the prevailing rate calculated successively hereunder as of the first Business Day after the expiration of the immediately preceding three month period up to the end of the relevant period in respect of which interest is payable.

"Evaluation Event" has the meaning ascribed to it under clause 8.1.2 (iv).

"Excluded Investor" shall have the meaning given in clause 3.10.2

"Excused Investor" shall have the meaning given in clause 3.10.1

"Existing Investor" means any existing Investor increasing the amount agreed to be committed by such Investor at a Subsequent Closing.

"External Valuer" means TPA Horwath Horodko Audit Sp. z o.o. in its capacity as independent third party valuer within the meaning of the AIFM Law as appointed by the General Partner to evaluate the value of the assets of the Fund, as further described in clause 8.1.2, or any successor entity as may subsequently be appointed by the General Partner in such capacity.

"Fair Value" means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

"Feeder Vehicle" means the General Partner (in its capacity as an Investor), the strategic partner and any other feeder vehicles established for the purpose of enabling Investors (each "Feeder Investor") to participate in the Fund.

"Final Closing Date" means the final Closing date as determined by the General Partner, as further described in clause 3.4.

"First Closing Date" means the date on which the first Investor (other than the Founder Partner) is admitted to the Fund.

"First Drawdown Date" means in relation to an Investor, the date upon which the first drawdown of its Commitment is made pursuant to clause 3.8 or, in the case of a Subsequent Investor, clause 3.11.

"Follow-on Investment" means any further investment (whether by way of equity, loan or otherwise) in or relating to an existing Investment.

"Founder Partner" means CEE Executive Team LP admitted as Limited Partner as of the date of the LPA.

"Fund" means CEE Long Hold Equity Fund LP, a Cyprus limited partnership established in Cyprus under the Law registered with the Registrar under registration number P12689 and having its registered office at 2 Prodromou & Demetrakopoulou, 5th Floor, CY-1090, Nicosia, Cyprus. The Fund has been authorised by the Regulator to operate as an AIF with unlimited number of persons with license number 10/56/2013 in accordance with the Part II of the AIF Law.

"Fund Assets" means all or any of the assets of the Fund from time to time.

"Fund Expenses" means all costs and expenses properly and reasonably incurred in connection with or relating to the, administration, management, operation and business of the Fund as described in more detail under clause 7.1. For the avoidance of doubt this excludes Organisational Expenses relating to the constitution of the Fund.

"General Partner" means CEE Equity Partners Limited as described in clause 1.5.1

"IFRS" means the International Financial Reporting Standards as adopted by the European Union, being the body of accounting standards and documents issued by the International Accounting Standards Board (IASB), as amended from time to time.

"Indemnified Party" has the meaning given to such term in the Memorandum.

"Interest" means the interest which an Investor has in the Fund at any particular time, as shown by its Capital Contribution and all other rights which it has in the Fund including its right to vote and inspect the books of the Fund. Such Interests include the Class A LP Interest held by the Limited Partners (with the exclusion of the Founder Partner) and the Class B LP Interests held by the Founder Partner exclusively.

"Internal Rate of Return" means the annual rate of return, expressed as a percentage, which when applied as a discount rate to a given set of cash flows results in a net present value of that set of cash flows equal to zero, on the basis that (i) each of those cash flows is regarded as arising at the end of the calendar month in which the cash flow in question occurs, and (ii) the rate of return is treated as compounding annually at the end of each calendar year.

"Interest Rate" means the rate of 2% per annum above EURIBOR from time to time.

"Investment Committee" means the committee established by the General Partner the functioning of which is further set out in clause 1.5.3.

"Investment Holding Entity" means an entity wholly owned, indirectly or directly, or acquired by the Fund, the Depositary or any nominee established or acquired for the purpose of carrying out investment, underwriting, bridging and/or syndication transactions. For the avoidance of doubt excluding subsidiaries.

"Investment Objective" means the overall objective of the Fund which the Fund shall pursue through its Investment Policy, as determined by the General Partner and described in clause 2.

"Investment Policy" means the investment policy of the Fund, as determined by the General Partner and described in clause 2.2.

"Investment Restrictions" means the investment restrictions applicable to the Fund, as determined by the General Partner and described in clause 2.3.

"Investor" means

- (a) the Founder Partner in respect of its Commitment to the Fund referred to in clause 3.5; and
- (b) any Eligible Investor who becomes a Limited Partner by signing a Subscription Agreement or any Substitute Investor, for so long as such person remains a Limited Partner.

"Investors' Consent" means the Consent of Investors together representing more than 50% of Aggregate Commitments as at the date thereof. Non-Voting Commitments shall be excluded from such consent and from Aggregate Commitments for these purposes.

"Investors' Meeting" means the general meeting of the Limited Partners as further described in clause 9.

"Investors' Special Consent" means the Consent of Investors together representing more than 75% of Aggregate Commitments as at the date thereof. Non-Voting Commitments shall be excluded from such consent and from Aggregate Commitments for these purposes.

"Investor Eligibility Declaration" means the written declaration of prospective Investors substantially in the form as set out in Schedule A1 of this Memorandum.

"Investment" means investments directly or indirectly acquired by the Fund including but not limited to shares, debentures, loan stock, options, warrants or other securities or loans (whether secured or unsecured) or guarantees made to, any entity, but excluding Temporary Investments and Bridge Financing.

"Law" means the Partnership and Business names Law CAP 116, as amended from time to time.

"Leverage" means any method by which the General Partner increases the exposure of the Partnership, whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

"Limited Partner" means an individual, trustee, corporation, partnership or other entity which admitted to the Fund as a limited partner in accordance with the terms hereof for so long as it remains a limited partner in accordance with the terms of the LPA, including the Founder Partner and any Subsequent and/or Substitute Investor and, whose liability is limited to the amount of their investment in the Fund.

"Limited Partnership Agreement" or "LPA" means the limited partnership agreement establishing the Fund, as may be amended and restated from time to time including its preamble, annexes and schedules.

"Lock-up period" means the period, which the Limited Period are prohibited from redeeming their Interest as described in the Private Placement Memorandum.

"Management Fee" means the annual management fee payable to the General Partner in accordance with clause 7.4.

"Market Value" means the price that would be received upon selling an asset or to be paid to transfer a liability in an orderly transaction between market participants at the measurement date in an open market. In case of any dispute regarding the fair market value of an asset, this shall be determined in good faith by the External Valuer.

"Memorandum" means this confidential private placement memorandum of the Fund relating to the placement of Commitments as approved by the General Partner and the Regulator and containing all material information for prospective Investors to take an informed decision, as amended or supplemented from time to time.

"MiFID" means the Directive 2014/65/EU on Markets in Financial Instruments.

"Net Asset Value" or "NAV" means the aggregate net asset value of the Fund's Assets, calculated in accordance with IFRS as determined in accordance with the provisions of clause 8 of the Memorandum and relevant provisions of the LPA.

"Net Income" means the amount (which may be a negative amount in which case it shall be a Net Income Loss) equal to the gross income of the Fund (other than in respect of Temporary Investments and Bridge Financings), being the amount, excluding Capital Gains, as determined by the General Partner to be in the nature of income, after deducting expenses and losses of the

Fund (other than Capital Losses and expenses included in the Acquisition Costs and expenses associated with the disposal of Investments).

"Net Income Loss" means the amount where the calculation of Net Income produces an amount of less than zero.

"Non-Voting Commitments" means the aggregate Commitments made by (i) the Founder Partner, or any of its Associates, and (ii) any Defaulting Investor (for so long as the relevant default subsists).

"Organisational Expenses" means any third party costs and expenses properly and reasonably incurred in connection with or relating to establishing the Fund, the General Partner, any Feeder Vehicle and any entity established for the sole purpose of providing advisory services to the General Partner in relation to the Fund, including:

- (a) accountancy, tax, consulting and legal and other professional fees;
- (b) travel costs and expenses in connection with such establishment, including associated accommodation, telephone, support services, consultants and other out-of-pocket expenses;
- (c) printing and postage costs;
- (d) other reasonable and properly incurred costs and expenses of establishment;
- (e) reasonable and attributable out-of-pocket expenses of placement agents, brokers and intermediaries;
- (f) other costs of placing the Interests but excluding the fees of any placement agent, broker or intermediary (which shall be borne by the relevant Investor or other person using such agent, broker or intermediary); and
- (g) any irrecoverable VAT relating to any such costs and expenses.

"Partner" means the General Partner and/or each Limited Partner for the time being and from time to time, as the case may require.

"Partnership Register" means the register maintained by or on behalf of the Partnership in which the names of the Limited Partners and their percentage Interest are listed.

"Person" means any individual, corporation, limited liability company, trust, partnership, estate, limited liability partnership, unincorporated association or other legal entity.

"Percentage Interest" means with respect to any Limited Partner, the ration, expressed as a percentage, of such Limited Partner's Capital Contribution to the Aggregate Contributions of the Fund at any particular time.

"Portfolio Company" means an entity in which the Fund directly or indirectly holds an Investment.

"Preferred Return" means such amount calculated at a rate of 6% per annum (compounded annually) on the daily amount of the Capital Contributions (calculated on the basis of a 365 day year) not yet repaid from time to time, during the period from the date when the first

Contribution was made by the respective Limited Partner and until the day on which all Contributions have been repaid to such Limited Partner.

"Professional Investor" means, an Investor who qualifies as a professional client, or who may request to be treated as a professional client within the meaning of Second Appendix of the Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (as amended from time to time).

"Prohibited Person" means any person, firm, corporation, limited liability company, trust, partnership, estate or other corporate body, if in the sole opinion of the General Partner, the holding of Class A LP Interests of the Fund by that person, firm, corporation, limited liability company, trust, partnership, estate or other corporate body may be detrimental to the interests of the existing Limited Partners or of the Fund, if it may result in a breach of any law or regulation, whether Cyprus or otherwise, or if as a result thereof the Fund may become exposed to tax or other regulatory disadvantages, fines or penalties that it would not have otherwise incurred. The term "Prohibited Person" includes any person, firm, corporation, limited liability company, trust, partnership, estate or other corporate body, which does not meet the definition of Eligible Investor (including, but not limited to natural persons and entities in which one or several natural person(s) hold an interest, unless such entity qualifies as a corporation) and any US Person. Furthermore, the term "Prohibited Person" shall include any person or entity that does not meet one or more of the following criteria:

- a) the beneficial owner of the entity, as specified by applicable anti-money laundering laws, can be identified;
- b) the entity is tax resident in a member state of the European Union, the European Economic Area, or in a member state of the OECD (Organisation for Economic Cooperation and Development) or in a state which has an agreement for the avoidance of double-taxation with any jurisdiction of registration of any Limited Partner;
- c) it does not qualify as a controlled foreign entity, as specified in the applicable laws on corporate tax;
- d) the owner of the entity, that holds at least 25% direct or indirect ownership right, control or voting right in the entity also meets the criteria set out under items a)-c) above.

"Registrar" means the Department of the Registrar of Companies and Official Receiver of the Republic of Cyprus.

"Regulator" means the Cyprus Securities and Exchange Commission which is the regulatory and supervisory authority of the Fund as of the date of execution of the LPA or such other authority as may be designated under applicable law from time to time.

"Subscription Agreement" means agreement between the Limited Partners and the Partnership, which forms an integral part of the LPA. A copy of the Subscription Agreement is included in the Application Package and may also be obtained from the Administrator or General Partner. **"Subsequent Closing"** means any Closing occurring after the First Closing.

"Subscription Period" means the period during which the Limited Partners are entitled to request subscription for Interest. The Subscription Period is the date or period described in the Private Placement Memorandum or any other such period that the General Partner may decide from time to time.

"Subscription Price" means the initial price set as specified in the Private Placement Memorandum and at the Price Determined in clause 4 of the LPA thereafter.

"Subsequent Investor" means any Investor whose first Commitment to subscribe for Class A LP Interests has been accepted at a Subsequent Closing.

"Substitute Investor" means a person admitted as a Limited Partner as the successor to all or part of the rights and liabilities of an Investor in respect of all or part of (as appropriate) such Investor's Interest in accordance with clause 4.

"Target Sectors" has the meaning ascribed to such term in clause.

"Temporary Investments" means amounts placed in deposit accounts or invested in debt securities, money market deposits or other similar liquid instruments and securities with a Standard and Poor's and/or Moody's credit rating of A or better, pending the application of monies drawn down for the purpose of making Investments, meeting Fund Expenses or paying the Management Fee or pending distribution of monies arising from realised Investments.

"Temporary Suspension" shall have the meaning given in clause 8.2.

"Term" is the lifetime of the Fund, which will expire in accordance with the provisions of clause 1.2, upon which the Fund will go into liquidation.

"Undrawn Commitment" means the portion of an Investor's Commitment, which at the relevant time remains available for drawdown pursuant to clause 3.8.

"US Person" means a U.S. citizen or Person resident or incorporated in the U.S. and/or other natural or legal Person the income and/or returns of which, regardless of origin, are subject to U.S. income tax, as well as a Person who is considered to be a U.S. person pursuant to Regulation S of the U.S. Securities Act of 1933 and/or the U.S. Commodity Exchange Act, both as amended from time to time.

"Valuation" means the estimation of the worth of the Partnership's investments

"Valuation Date" means 30th June and 31st December of each calendar year on which the Net Asset Value is calculated in accordance with IFRS, and any other day or days as determined by the General Partner in its sole and absolute discretion.

"Well Informed Investor" means every investor who is not a Professional Investor, but fulfils the following criteria:

(a) the investor confirms in writing -

(i) that he has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks associated with the prospective investment and that he is aware of the risks associated with the prospective investment· or

(ii) that his business activity is related to the management, acquisition or sale of assets, either on the investor's own account or on behalf of third parties, and are of the same type as the investments of the AIF· and

(b) (i) invests at least €125.000 in the AIF· or

(ii) has been assessed by a credit institution, an AIFM, a UCITS Management Company, an IF or an external manager of AIFs authorised in the Republic or another Member State for the management of AIFs whose assets do not exceed the limits provided for in article 4(2) of the Alternative Investment Fund Managers Law or the corresponding article 3(2) of Directive 2011/61/EU, and the above assessment shows that he has the necessary knowledge and experience in financial and business matters, to evaluate the merits and risks associated with the AIF's prospective investment based on the AIF's investment policy· or

(iii) is employed by one of the persons referred to in subparagraph (ii) of paragraph (b), receiving total remuneration that takes him into the same remuneration bracket as the natural persons who effectively conduct the business of the person referred to in subparagraph (ii) of paragraph (b) or the executive members of their governing body, who effectively conduct the their business·

(c) by way of derogation from paragraphs (a) and (b), the investor is a person who effectively directs the business of the AIF or its external manager or is a person engaged in the AIF's investment management functions. Unless the context otherwise requires:

- a) words importing the singular number shall include the plural number and vice versa;
- b) words importing the masculine gender only shall include the feminine gender;
- c) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not; and
- d) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative; and
- e) words and expressions defined in the LPA and not otherwise defined herein shall have the meaning ascribed to them therein.

1. **FUND STRUCTURE AND GOVERNANCE**

1.1 Fund Structure

The Fund has been established in the Republic of Cyprus as a closed-ended limited partnership under the Law, with registration number P12689 and principal place of business situated at 2 Prodromou & Demetrakopoulou, 5th floor, 1090 Nicosia, Cyprus. It was authorised by the Regulator to operate as an AIF with unlimited number of persons with License Number AIF18/2014 in accordance with Part II of the AIF Law until expiry of its Term.

As a Cyprus limited partnership, the Fund has two categories of Partners:

- a) the General Partner, which is fully liable without any limits for any debts and obligations of the Fund that cannot be met out of the Fund's Assets. For the avoidance of any doubt, the General Partner shall not be personally liable for the repayment of the Capital Contributions to the Limited Partners; and
- b) the Limited Partners holding Class A and Class B LP Interests, the liability of which is limited to the amount of their Capital Contributions in the Fund. Notwithstanding the limitation of liability contained in this clause, a Limited Partner may be required to advance its Commitment to the Fund in accordance with the terms of the LPA and this Memorandum and may not be repaid all or any of its Capital Contribution. Further, the Limited Partners shall not interfere with the management of the Fund, save for by giving their Consent as provided in the LPA and this Memorandum and shall not represent the Fund against any third parties.

According to the AIF Law the Fund shall be managed by the General Partner in its capacity as general partner of the Fund. The General Partner will also act as the external manager to perform the portfolio management and risk management of the Fund, as further set out in clause 1.5.

- 1.2 Based on the Fund's audited financial accounts for 2018 (the Fund's latest audited annual report), its net loss was €8,600, whereas its net assets €599,825. Duration and Term

The Fund's Term will expire on the tenth (10th) anniversary of the Final Closing Date unless terminated sooner in accordance with the provisions of this Memorandum and at its expiry the Fund will go into liquidation in accordance with the clause 11 of this Memorandum.

At any time prior to the expiration of the Term, the life of the Fund may be extended by the General Partner for up to two consecutive one-year periods, at the recommendation of the General Partner and subject to the Investor's Special Consent. Any such extension shall be irrevocable but shall be without prejudice to the possibility of earlier termination of the Fund for any reason specified in clause 11.

1.3 Minimum and Target Size and Capital

As provided by the AIF Law, The Fund must, within twelve (12) months from the date its authorisation was granted, raise at least five hundred thousand euros (€500.000) worth of capital from Investors.

The target size of the Fund is EUR five million (€5 million), provided that Commitments may be accepted in excess of said target size.

1.4 Acceptance of Fund Documents

The Fund is governed by the LPA established by the General Partner and Founder Partner as of 19th April 2017 and later amended as of 4 February 2019.

The signing of a Subscription Agreement by a Subsequent Investor or Deed of Adherence by the Substitute Investor constitutes such Investor's acceptance of the LPA and the Memorandum. In addition, such Subsequent or Substitute Investor shall be required to sign and execute the Investor Eligibility Declaration.

In the event of any inconsistency between the Memorandum and the LPA, the LPA shall prevail.

The Fund documents may be amended in the ways as described in the relevant provisions of the LPA and clause 16 of the Memorandum.

1.5 The General Partner

1.5.1 General

The General Partner, CEE Equity Partners Limited, has been incorporated in the Republic of Cyprus in the form of a private limited liability company under the Companies Law Cap 113, on 25th July 2012 under registration number HE 309723 with its registered office situated at 2 Prodromou & Demetrakopoulou, 5th floor, 1090 Nicosia, Cyprus and for an unlimited duration.

The General Partner was authorised by the Regulator as an AIFM on 24th July 2015 with Registration number AIFM 10/56/2013 under the AIFM Law and upon the execution of the LPA, it shall exercise the duties and undertake all responsibilities of the external manager of the Fund to manage and operate the Fund in accordance with the provisions of the LPA, this Memorandum and Cyprus applicable laws and regulations, in the exclusive interest of the Investors.

The paid-up capital of the General Partner amounts to one hundred and twenty-five thousand EURO (€125,000). The General Partner is managed by its board of directors, which will be composed of no less than four (4) members.

The assets of the Fund will be segregated from those of the General Partner.

The General Partner has the exclusive power to determine the Investment Objective, Investment Policy and Investment Restrictions applicable to the Fund, as well as the course of conduct of the management and business affairs

of the Fund, in compliance with the LPA, the Memorandum, and any applicable laws and regulations. All powers not expressly reserved by law or by the LPA to the Limited Partners rest with the General Partner. In its capacity as the external manager, the General Partner shall be responsible for carrying out all the investment management functions of the Fund (comprising of the portfolio management, risk management, administration and marketing functions) as these are described in the AIFM Law and shall assume the obligations and powers attributed to it, in each case as set out in further detail under the relevant provisions of the LPA. The General Partner will be empowered, subject to the rules as further set out hereafter, to exercise all the rights attached directly or indirectly to the Fund's Assets.

In accordance with applicable laws and regulations, and with the prior consent of the Regulator, the General Partner is empowered to delegate, under its responsibility, part of its duties and powers to any person or entity which it may consider appropriate and which disposes of the requisite expertise and resources, it being understood that, the case being, the Memorandum shall be amended accordingly. Any such delegation will be performed in compliance with the provisions of the AIFM Law and prior approval of the Regulator (where required).

In order to cover potential professional liability risks resulting from the investment management activities, the General Partner benefits from a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

To cover potential professional liability risks resulting from the activities carried out, the General Partner shall either:

- a) have additional own funds, which are appropriate to cover potential liability risks arising from professional negligence; or
- b) hold a professional indemnity insurance against civil liability arising from professional negligence, which is appropriate to the risks covered.

Other than as otherwise explicitly set out herein, where the General Partner or the Directors of the General Partner are referred to in the Memorandum as taking any action, it shall be understood, that the General Partner will be taking action in its own name and on behalf of the Fund.

Removal of the General Partner

The General Partner may be removed as a general partner of the Fund by an Investors' Special Consent in accordance with the relevant provisions of the LPA.

1.5.2 Board of Directors

The members of the board of directors of the General Partner are duly appointed and removed at a general meeting of shareholders of the General Partner and currently consist of four (4) members, two of which are executive directors, and

two non-executive directors. None of the shareholders of the General Partner shall hold a majority of seats on the board of the General Partners.

The General Partner will be managed by a board of directors composed of the following persons:

(i) Keith Michael Mellors – Executive Director

Adept at putting together the right team and with extensive experience across the CEE region, Keith has an instinctive flair for identifying workable investments. These have been across a wide variety of sectors and can be categorised as businesses with great potential and management with whom he can empathise. Before setting up CEE EP, Keith was Managing Partner of Copernicus Capital Partners, managing their private equity fund in Croatia and Serbia, investing in sectors such as telecoms and business to business services. As Managing Director of a private investment group since 1989, he has a record of successful investments in the real estate, development and venture capital sectors. In the late 1990's he also headed a team which managed investments in many former state-owned enterprises in Poland across a variety of sectors, including specialist manufacturing and construction. He is a UK Chartered Accountant and a graduate of King's College, Cambridge.

(ii) Savvas Orphanides- Executive Director

Mr. Savvas Orphanides is a holder of the Competency Certificate for all investment services issued by the Cyprus Securities and Exchange Commission, and he has more than 15 years of experience in the financial services industry, inter alia in the fields of wealth management and investment advice. Until October 2014, he was an Executive Director in a leading, Cyprus-based investment advisory firm, where he had previously served as a Chief Executive Officer.

He previously served as the Group Chief Executive Officer in a chief financial services group in Cyprus, where he was amongst the founding members and a major shareholder. He also worked as an Investment Advisor in a global leader in wealth management institution, where he delivered inter alia, tailored management services, equity portfolio management and advisory brokerage services. He also has a rounded experience in insurance services and legal advice. Since 1999, Savvas has been serving as a member of the Board of Directors of various private and listed companies.

Prior to working in the investment management industry, he held an Undergraduate Scholarship (Bachelor of Laws) at the University of Bristol, in United Kingdom. He has also qualified the advocate licence from the Cyprus Bar Association. Savvas also holds an Associateship Diploma (ACCI) by the Chartered Insurance Institute, where he was awarded the Barnfield Prize. Subsequent to that, he completed his Master of Business Administration at the Insead Business School in Fontainebleau of France. He is also a SFA licensed advisor and UK broker dealer.

(iii) Mr. Constantinos Chiotis – Non-Executive Director

Mr. Constantinos Chiotis graduated from the Barret Honours College of Arizona State University. He focused his academic research and dissertation on "Electronic Commerce Strategy". He holds a bachelor's degree (BSc Hons) in Accounting and an

MBA. Mr. Chiotis worked for 3 years in the assurance and advisory services department of Deloitte & Touche LLP in Phoenix, Arizona, where he also obtained his CPA certification.

Upon his return to Cyprus, Mr. Chiotis joined PwC Tax & Legal services department where he was mostly involved in tax advisory work for international clients and later worked as the head of finance of a major private group of Companies in Cyprus. He joined Abacus Ltd in March 2007 and was admitted as Partner in 2013. Since then he has been heading one of the firm's International Business Advisory units looking after a portfolio of international private, public and listed corporations and high net-worth individuals.

He is a member of the American Institute of Certified Public Accountants (AICPA) and the Institute of Certified Public Accountants of Cyprus (ICPAC). He is also a member of ICPAC's International Companies, Shipping and Foreign Investments Committee.

(iv) Ms Athina Isavella Georgiou – Non-Executive Director

Ms Athina Isavella Georgiou is a graduate from Imperial College London with a Bachelor degree (Hon) in Mathematics with Management. She qualified as a Chartered Accountant with Deloitte in Cyprus in 2011. She is a holder of CYSEC Advanced Certificate since January 2018 and holder of the Advanced Certificate in Fund Administration issued by CLT International since November 2016.

She is now working for Abacus as a Team Leader heading a team of professionals looking after a portfolio of international private, public and listed corporations and high net-worth individuals.

(v) Neil Morison Milne – Non-Executive Director

Mr. Milne co-founded Abris group in 2006 together with George Swirski. He is currently the Chairman of the Abris Management Committee.

Prior to establishing Abris, Neil was for 12 years the managing partner of Copernicus Capital Partners, a CEE-focused private equity and asset management business he co-founded in 1994. Before establishing Copernicus, he was a Managing Director of York Trust, a UK-based private equity and financial services group which he joined after working as an investment banker in London for European Banking Company Limited. Neil started his career as an investment analyst and fund manager at Standard Life Assurance Company in Edinburgh.

Neil is a former member of the board of the European Private Equity & Venture Capital Association (EVCA) and was Vice President of the Polish Private Equity Association.

Neil has a degree in economics from the University of Edinburgh and a Master degree from the University of Nottingham

Changes in the composition of the board of directors of the General Partner shall be subject to the provisions of the LPA as well as this Memorandum and articles of association of the General Partner, and shall be subject to the prior approval of the Regulator.

The directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit and questions arising at any meeting shall be decided in accordance with the provisions of this Memorandum and articles of association of the General Partner.

In order to take any valid and binding decision, the board of directors of the General Partner will decide by simple majority.

A director cannot vote in respect of any agreement or transaction in which he has a material interest unless the material facts of such interest are disclosed in good faith at a meeting of the directors. A director is not required to retire upon reaching a certain age.

No director has (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of a voluntary arrangement, or had a receiver appointed to any of his assets; or (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangement with its creditors generally or with any class of its creditors; or (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

Insofar as the applicable laws allow, every director of the General Partner shall be indemnified out of the Fund's Assets against any loss or liability incurred or sustained by him in or about the execution of his duties except in so far as such loss or liability was caused through the negligence, default, breach of duty or breach of trust of such director.

1.5.3 Investment Committee

The General Partner will establish an Investment Committee, which shall comprise individuals with appropriate financial, commercial and industrial experience in relation to the business of the Fund. The minimum number of members of the Investment Committee shall be three (3) and the maximum number shall be five (5). The appointment, removal and replacement of the members of such Investment Committee shall be the General's Partners responsibility and the replacement may be subject to the prior approval of the Regulator.

The Investment Committee's scope of authority shall be to provide non-binding advice, counsel and guidelines to the General Partner on the Investment Policy of the Fund and review investment and divestment opportunities and make recommendations in relation thereto. The Investment Committee will act as necessary, through meetings, telephone conferences or written consultations and resolutions, as appropriate.

The Investment Committee is currently composed of the following persons:

- a) Keith Mellors;
- b) Dario V. Cipriani
- c) Stephen Richmond; and
- d) Brian Bode.

All other terms and conditions in relation to the Investment Committee's operations and procedures are set out under clause 17 of the LPA.

Without derogation to the provisions of the LPA, the General Partner may adopt a resolution setting out in further detail the working procedures of the Investment Committee.

1.6 Depositary

- 1.6.1 The duties of the Depositary of the Fund have been entrusted to Bank of Cyprus Public Company Ltd pursuant to the tripartite Depositary Agreement dated 29th June 2017.

Bank of Cyprus Public Company Ltd is a public company incorporated under the laws of Cyprus, registered with the Registrar under number HE 165, whose registered office is at Stasinou 51, Agia Paraskeui, Strovolos, 2002, Nicosia.

- 1.6.2 Pursuant to the terms of the Depositary Agreement, the Depositary has been entrusted with the safekeeping of the Fund's Assets and in particular, as the case may be, record keeping and ownership verification of the such assets, the effective and proper cash flow monitoring and the oversight duties as these are provided for in the AIFM Law and the commissions Delegated Regulation (EU) No 231/2013 of 19 December 2012 (the "**Level 2 Regulation**").
- 1.6.3 In compliance with the provisions of AIFM Law, the Depositary may, under certain conditions, entrust part or all of the assets which are placed under its safekeeping to correspondent banks or other agents as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the AIFM Law. In particular, under the conditions laid down in AIFM Law, including the condition that the Investors have been duly informed of that discharge and of the circumstances justifying the discharge prior to their investment, the Depositary can discharge itself of liability in the case where the law of a third country requires that certain financial instruments are held in custody by a local entity and there are no local entities that satisfy the delegation requirements laid down in AIFM Law.
- 1.6.4 The Fund and the Depositary may terminate the Depositary Agreement at any time by giving ninety (90) days' notice in writing. The Fund may, however, dismiss the Depositary only if a new depositary is appointed within two (2) months to take over the functions and responsibilities of the Depositary. After its dismissal, the Depositary must continue to carry out its functions and responsibilities until such time as the entire assets of the Fund have been transferred to the new depositary. The appointment of the new depositary is subject to the approval of the Regulator.

1.7 Administrator

The duties of the administrator have been entrusted to Abacus Limited pursuant to the tripartite Administration Agreement dated 25th May 2017.

The Administrator, in its capacity as administrator, is responsible under the ultimate supervision of the General Partner, *inter alia*, for providing all administrative, accounting and bookkeeping services as well as transfer, registrar and corporate services required in connection with the Fund's operations, including the keeping of the books and records of the Fund, the processing of applications and distributions, the calculation of the Net Asset Value of the Fund, the filing of reports with the Regulator, the collection of income and any other duties as required by applicable law and the general administration of the Fund as further described in the Administration Agreement.

The Administration Agreement may be terminated by the Fund or the Administrator at any time by giving ninety (90) days prior notice in writing.

2. INVESTMENT OBJECTIVE AND POLICY

2.1 Investment Policy

This Fund's portfolio may include exposure to transferable securities, private equities, mezzanine, debt, shareholder loans and equity capital.

The Fund's reference currency is the Euro. Nonetheless, the policy will not prohibit the General Partner from sourcing and investing in assets in a different currency denomination, should the decision be taken in the best interest of the Fund's performance and subsequently its Limited Partners. The General Partner may use forward exchange contracts or options for hedging in such circumstances.

The table below gives an indication of the allocation percentages and the boundaries set.

Asset Class	Percentage Allocation
Equities	30%-50%
Fixed income	0%-30%
Private Equity	0%-100%
Cash & Cash like instruments (money markets, repos, etc.)	0%-50%

2.2 Investment Objective

The Fund's objective is to seek long term capital appreciation and achieve reasonably attractive returns in excess of comparable public markets by investing the funds available to it in medium to large unquoted and quoted companies, primarily in Central and Eastern Europe, and in other eligible assets under the AIF Law, for the benefit of the Investors while reducing investment risks through diversification.

2.3 Investment Strategy

The Fund will not focus on investments in any particular sectors, and its Investment Policy will be based on the following strategy:

- a) The Fund will invest, directly or indirectly, in medium to large unquoted and quoted companies, including in Central and Eastern Europe.
- b) Generally, the Fund will seek to make an Investment in businesses that exhibit proven capability and a demonstrable track record of integrity and accomplishment.
- c) Investments may be purchased individually or as a portfolio.
- d) Investment instruments may be varied, including but not limited to, mezzanine debt, shareholder loans and equity capital or a mixture of these investment instruments as well as through convertible bonds.
- e) The Fund will aim to achieve portfolio diversification.

Investments will be made by the Fund directly or indirectly through local or foreign intermediate vehicles, which will only be Investment Holding Entities.

2.4 Investment Restrictions

The General Partner shall ensure that the investments of the Fund are diversified to an extent that an adequate spread of the investment risk is warranted. To that extent the following limitations will apply during the Term:

- a) The Fund may not invest or commit to invest more than 40% of its aggregate Commitments in any single underlying asset at the time of such investment; and
- b) The Fund may not at any one time invest in, or provide guarantees to, a single Portfolio Company and its Associates for an amount in excess of 40% of Aggregate Commitments;
- c) The Fund may not invest in any investment where the Fund would acquire a controlling interest in any publicly quoted entity or any asset where such acquisition is opposed by a majority of the independent members of the board of directors (or comparable body) of such entity or asset and their opposition has been communicated to existing shareholders (or comparable beneficial owners) of such entity or asset and is known to the General Partner;
- d) The Fund may not invest in any Portfolio Company in respect of whose debts and obligations the Fund directly assumes unlimited liability; and
- e) The Partnership shall be bound by the restrictions on borrowings, as set out in clause 2.5.

The restrictions set out in paragraphs (a), (b) and (e) above shall not be breached either (a) as a result of changes in the amounts committed due to exchange rate fluctuations or (b) as a result of the operation of clause 3.9 upon a Default by any Investor(s), each

occurring after the date the Fund enters into a contractual commitment in respect of such Investment or Bridge Financing (as appropriate).

The above Investment Restrictions will not be breached as a result of changes in the price or value of assets of the Fund brought about solely through movements in the market or as a result of any other events out of the control of the General Partner, but in such circumstances the General Partner shall take all necessary steps to bring the Fund back within the Investment Restrictions except where the General Partner reasonably believes that this would be prejudicial to the interests of the Fund and its Investors.

Where the Fund invests through Investment Holding Entity, such investments should be looked-through for the purpose of the above Investment Restrictions and the underlying investments of the Investment Holding Entity should be treated as if they were direct investments made by the Fund.

The Fund may be subject to such other Investment Restrictions as these are applicable under the relevant directives which may be issued from time to time by the Regulator.

2.5 Liquidity Risk Management

The General Partner employs appropriate liquidity management methods and adopts procedures which enable it to monitor the liquidity risk of the Fund. The General Partner ensures that the investment and financing strategy, the liquidity profile and the distribution policy are consistent with the Fund's liquidity needs.

The General Partner will regularly conduct stress tests, under normal and exceptional liquidity conditions, which enable it to assess the liquidity risk of the Fund and monitor the liquidity risk of the Fund accordingly.

2.6 Commitment Liquidity Facility

The General Partner may enter into one or more commitment liquidity facilities ("**Commitment Liquidity Facilities**") to provide short term financing for investments in the period between the investment commitment and the receipt of Capital Contribution from the Limited Partners further to a drawdown. The General Partner will only make use of a Commitment Liquidity Facility in exceptional circumstances.

A Commitment Liquidity Facility will have a maximum term of 12 months, and may be secured by the Fund's Assets, including Investments, and by the Limited Partners' Undrawn Commitments. At no time shall the aggregate amounts outstanding in respect of Commitment Liquidity Facilities exceed 100% of the aggregate Undrawn Commitments.

The General Partner may in its discretion agree that a pledge or assignment of the Fund's claims, represented by the Undrawn Commitments to subscribe for Class A LP Interests, against some or all of the Investors in the Fund pursuant to the terms of their Subscription Agreement is made. Investors may be required to confirm the terms of their Commitments to such credit provider, to honour drawdowns made by such credit provider, to provide financial information and to execute other documents in connection with obtaining such facility.

2.7 Exit Strategy

The principal options for achieving the optimal exist for the Fund's Investments will be:

- a) stock market flotation of part or all of the portfolio, including listed retail market options such as an investment trust;
- b) sales to financial buyers;
- c) sales to other shareholders and/or to the management of an individual project company;
- d) portfolio transfer or roll-over into a carry-on fund managed by the General Partner to allow Investors to continue to benefit from the income stream, should they so desire; and
- e) asset securitisations.

3. OFFER

3.1 Description of the Interests

Eligible Investors are offered the opportunity to commit to subscribe for Interests pursuant to the terms of the LPA and the Subscription Agreement.

The respective Percentage Interests of the Limited Partners shall be recorded in the register of the Limited Partners, maintained and monitored by the General Partner or the Administrator as its delegate. These recordings shall prove the Capital Contribution of each Limited Partner and is conclusive evidence of participation of the Limited Partner in the Fund.

3.2 Classes of Interests

The Fund may offer Interests in different Classes, which may carry different rights and obligations, *inter alia*, with regard to their distribution policy, their fee structure, and their minimum initial commitment.

The amounts invested in the different Classes are themselves invested in a common underlying portfolio of investments. Limited Partners of the same Class will be treated equally pro rata to their Percentage Interest.

Initially, two Classes of Interests shall be offered:

- a) Class A LP Interests, which are available to all Investors (with the exception of the Founder Partner) who are entitled to a Preferred Return; and
- b) Class B LP Interests, which are only offered to the Founder Partner and which entitled to the Carried Interest. For the avoidance of doubt, no further Class B LP Interests will be offered after the establishment of the Fund.

Should the General Partner resolve to launch additional Classes, the Memorandum will be amended accordingly.

Class A and Class B LP Interests are entitled to participate in the distribution of profits and dividends of the Fund, if any, as well as in the liquidation proceeds of the Fund if any. Further Class A LP Interests shall be required to give their Consent on specific matters as provided in this Memorandum and the LPA.

Investors should note however that some Classes may not be available to all Investors or prospective Investors. The General Partner retains the right to offer only one or more Classes to a certain group of potential Investors, for instance investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason.

In case of plurality of Classes, Investors should ensure that a specific Class is best suited to their needs and should consider the local tax implications subject to their personal circumstances and local tax laws. Investors are recommended to contact a tax advisor or their financial advisor for further information.

3.3 Fair Treatment of Limited Partners

The General Partner has put in place procedures that will in principal ensure the fair and equal treatment of the Limited Partners at all times in accordance with Cyprus applicable laws and the provisions of the LPA. The General Partner shall further ensure that no Investor receives preferential treatment to the detriment of others.

Pursuant to the guidelines governing the avoidance of conflicts of interest, the interest of Investors always take precedence over the interests of the General Partner, its staff or any Associates in any instances of potential conflict. If actual or potential conflicts of interest arise between individual Investors or groups of Investors, the General Partner has conflict management processes and procedures in place to ensure that such conflicts are fairly handled. In exceptional cases where a conflict proves to be insoluble or unavoidable, the General Partner, acting on behalf of the Partnership, shall ensure transparent disclosure to Investors.

Further, the General Partner has undertaken **not** to agree, approve or execute any side letter or other similar agreement, deed or arrangement to this agreement governing any relationships between any Limited Partners and the General Partner and/or providing for any rights or obligations of the Limited Partners not set forth hereby.

3.4 Closings

The Fund will only accept Commitments to subscribe for Class A LP Interests from Eligible Investors which have entered into a Subscription Agreement with the Fund.

At the First Closing Date, the Fund will commence its operations. There may be one or more Closings Dates occurring after the First Closing Date.

The Final Closing Date will be determined by the General Partner in its sole and absolute discretion, within twelve (12) months of the date of the First Closing Date, provided that the General Partner may postpone the Final Closing Date by up to 6 months in its discretion.

3.5 Admission Procedure

Eligible Investors that wish to be admitted as Limited Partners in the Fund in relation to Class ALP Interests will have to enter into a Subscription Agreement with, and make certain representations and warranties to, the Fund, as more fully described in the Subscription Agreement. The General Partner reserves the right to accept or reject any Subscription Agreement in its absolute discretion.

Under the terms of the Subscription Agreement and in accordance with the Memorandum, Eligible Investors (with the exception of the Founder Partner) will commit themselves to bring to the Fund a certain maximum amount (excluding any payments made pursuant to clause 3.11.3(ii)) and to pay such amounts of cash to the Fund as specified in the relevant Drawdown Notices, within the limit of their respective Commitment.

The Founder Partner has agreed to invest in the Fund either directly or indirectly a Commitment of an amount equal to 1% of the Aggregate Commitments up to a maximum commitment of fifty thousand EUR (€50,000).

All commitments must be made in cash.

3.6 Restriction on Ownership of Interests

Interests are reserved to Eligible Investors and the General Partner shall restrict or prevent the ownership of Interests by a Prohibited Person.

The General Partner may decide not to offer or transfer, or require any prospective Investor to provide it with any information that it may consider necessary for the purpose of deciding whether or not he is, or will be, a Prohibited Person.

3.7 Commitment Period

It is envisaged that all Commitments will be drawn down during the Commitment Period.

Upon expiry of the Commitment Period, an Investor will be released from any further obligation with respect to its Undrawn Commitments, except to the extent necessary to:

- a) cover the Fund Expenses or other liabilities or obligations of the Fund which have or are about to become payable by the Fund (including (a) the amount of any outstanding borrowings of the Fund at the end of the Commitment Period and (b) any liability arising pursuant to any undertakings, warranties and/or indemnities given by the Fund on the realisation of any Investment in respect of which a claim has been made);
- b) pay the Management Fee or any drawings on account of the Management Fee in accordance with clause 7.4 of this Memorandum and the relevant provisions of the LPA;
- c) carry out and complete New Investments within two (2) years from the end of the Commitment Period where, prior to the end of the Commitment Period, there existed a contractual commitment of the Fund; and

- d) carry out and complete any Follow-on Investment relating to any Investment provided that the aggregate amount drawn down under this clause shall not exceed fifteen percent (15%) of Aggregate Commitments;

which obligations shall continue until the expiry of the Term of the Fund.

3.8 Drawdowns

Each of the Investors shall, subject to the following provisions of this clause, be required to advance tranches of its Commitment to the Fund as requested by the General Partner up to an aggregate amount equal to its Commitment.

Commitments shall be advanced in such tranches and on such dates as shall be determined by the General Partner and specified in the relevant Drawdown Notice served by the General Partner on the Investors at least fifteen (15) Business Days prior to the date specified for the advance of the tranche (which date shall be a Business Day).

Payment by Investors should be made in accordance with the provisions of the Subscription Agreements and the instructions set out in a Drawdown Notice issued by the General Partner. The General Partner may organise drawdowns for investment purposes or to cover any liabilities, fees and expenses, refinancing costs or cash needs of the Fund.

Investors will be drawn down *pro rata* to their respective Commitments (thus each drawn down corresponding to a percentage of the commitments being equal for each Investor), unless such percentage entails a situation, prohibited by the Investor's articles of incorporation and/or provided for in the relevant Subscription Agreement.

The General Partner may, with the prior approval of all Limited Partners, deviate from the above drawdown procedures.

Any Commitments which have been drawn down and have not, within 45 days of such drawdown, been used or substantially used for an Investment or Investments or otherwise pursuant to the LPA and this Memorandum and which the General Partner reasonably believes will not be used or substantially used for any Investment or Investments or otherwise pursuant to the LPA and this Memorandum in the subsequent 45 days following the end of such initial 45 day period shall be returned to the Investors and shall be available for future drawdown in accordance with this clause.

Each Investor may be required to re-advance (subject as provided in this clause), as an addition to or to create a commitment, that part of any amount distributed to it pursuant to the LPA where and only to the extent that such distribution is or is attributable to certain events as set out in the LPA.

If the General Partner reasonably considers that the full amount of Undrawn Commitments will not be drawn down before the termination or expiry of the Term of the Fund, the General Partner shall be entitled, at any time after the end of the Commitment Period, to cancel part or all of the Undrawn Commitments (on a *pro rata* basis across all Investors) in which case such parts of the Undrawn Commitments which have been cancelled shall be deemed for the purposes of the LPA and this Memorandum

to have been drawn down and immediately distributed in accordance with the provisions of clause 6.

3.9 Default Provisions

- 3.9.1 Subject as provided in clause 3.10 and notwithstanding any provisions of this Memorandum to the contrary, if an Investor (the "**Defaulting Investor**") fails to advance to the Fund any amount of its Commitment which is the subject of a Drawdown Notice (the "**Default Amount**") on or before the date specified in that Drawdown Notice (with the exception of an Excused and/or Excluded Investor (if applicable)), then the General Partner may, at any time thereafter, give written notice of such failure (a "**Default Notice**") to such Defaulting Investor and shall use its reasonable endeavours to contact the Defaulting Investor and advise such Defaulting Investor of the default (provided that the failure to contact the Defaulting Investor shall not affect the rights of the General Partner pursuant to this Agreement) and shall simultaneously notify each of the other Limited Partners that it has given such notice.
- 3.9.2 The Defaulting Investor shall have a period of twenty (20) Business Days from the date of the Default Notice in which to remedy its default, the last day of such period being the "**Default Date**". The Defaulting Investor will be entitled to remedy its default at any time prior to the Default Date by paying:
- a) the Default Amount;
 - b) interest to the Fund on the Default Amount at a rate of 4% per annum above the Interest Rate, calculated on a daily basis and compounded annually, which amount shall accrue from the date specified for payment in the relevant Drawdown Notice up to the date of payment thereof; and
 - c) as the General Partner may determine, an amount sufficient to reimburse or compensate the General Partner, the Fund or the other Limited Partners in respect of any other related costs and expenses (including, without limitation, in respect of attorney's fee, sale commissions or borrowings reasonably incurred as a result of the Defaulting Investor's failure to pay amounts due).

For the avoidance of doubt, the amounts referred in clause 3.9.2 (ii) and (iii) shall be in addition to the Defaulting Investor's Commitment and shall not reduce the Undrawn Commitment of the Defaulting Investor.

- 3.9.3 The General Partner shall have the right to retain and apply all or part of any sums that the Defaulting Investor may otherwise have been entitled to in order to satisfy (in whole or in part) the sum of the Default Amount and any other amounts due pursuant to clause 3.9.2.
- 3.9.4 Further, the voting rights of a Defaulting Investor shall automatically be suspended until the remedy of the default.
- 3.9.5 If the Defaulting Investor elects not to pay, or otherwise fails to pay, the amounts set out in clause 3.9.2 by the Default Date, the General Partner will, at any time after such date, be entitled, in its absolute discretion and pursuant to the relevant provisions of the LPA, to:

- a) sell as agent for the Defaulting Investor all or part of the Defaulting Investor's Interest (including its obligations in respect of its Undrawn Commitment);
- b) forfeit the Capital Contribution of the Defaulting Investor; and/or
- c) take any such action as it may think fit to require the Defaulting Investor to make payment of the Default Amount and any other amounts referred to in clause 3.9.2, including delaying or applying any conditions in respect of any distributions and/or repayments that may otherwise have been made to such Defaulting Investor.

For the avoidance of doubt, no right of the General Partner provided in clause 3.9.5 will be affected by the Defaulting Investor's bankruptcy, insolvency, dissolution, liquidation or other similar event.

In addition, the General Partner, at its sole discretion, may in relation to the failure to comply with a Drawdown Notice as are set out, take such other steps under the relevant provisions of the LPA.

- 3.9.6 The General Partner may decide on and pursue any and all other remedies available to it by law if it believes such steps to be more appropriate in the light of the situation. The General Partner may also, in its discretion, but having regard to the interests of the other Investors, waive any of these remedies against a Defaulting Investor.
- 3.9.7 The General Partner shall not be required to advance to the Fund any amount in circumstances where an Investor fails to advance the drawn portion of its Commitment after the payment due date of the applicable Drawdown Notice.

3.10 Excuse and Excluded Investors

- 3.10.1 An Investor (for these purposes an "Excused Investor") shall not be required to advance any portion of its Commitment in respect of an Investment or proposed Investment to the extent that the Excused Investor provides written notification to the General Partner (in a form reasonably acceptable to the General Partner) within five (5) Business Days after the Excused Investor's receipt of the relevant Drawdown Notice, accompanied by a certificate by an authorised senior officer of the Excused Investor, stating that its participation through the Fund in such Investment.

- i. would result in a material violation of or non-compliance with a particular law or regulation by such Excused Investor or an Associate; or

would result in a material violation by such Excused Investor or an Associate of any investment policy notified to the General Partner in writing prior to the relevant Admission Date of such Excused Investor

Provisions in relation to the Excused Investors are set out in further detail under clause 3.5 of the LPA.

- 3.10.2 The General Partner may exclude a particular Investor (for these purposes, an "**Excluded Investor**") from participating in all or any part of an Investment if the General Partner determines, acting reasonably, that:

- i. a significant delay, extraordinary expense or material adverse effect on the Fund or any of its Associates, any Portfolio Company or proposed Investment is likely to result from

such Excluded Investor's participation (or, in the case of an exclusion from part but not all of its participation, such part of its participation) through the Fund in such Investment; or

- ii. based upon a written opinion of counsel (which opinion and counsel shall be reasonably acceptable to the Excluded Investor), there is a reasonable likelihood that such Excluded Investor's participation (or, in the case of an exclusion from part but not all of its participation, such part of its participation) through the Fund in such Investment would be reasonably likely to cause (i) a material violation of any law, regulation or order; or (ii) a material tax, regulatory or other burden on the Fund or any Partner.

The Undrawn Commitment or total Commitment of any Excluded Investor or Excused Investor shall not be reduced as a result of such excuse or exclusion pursuant to this clause 3.10. Provisions in relation to the Excluded Investors are set out in further detail under clause 3.5 of the LPA.

3.11 Subsequent Investors

3.11.1 The General Partner may in its absolute discretion (acting on behalf of all Limited Partners) admit persons to the Fund after the First Closing Date at any time up to the Final Closing Date ("**Subsequent Investors**") provided they each execute a Subscription Agreement, upon acceptance of which by the General Partner the Subsequent Investors shall be treated as "Limited Partners" for all purposes of the LPA and this Memorandum.

3.11.2 Existing Investors may be permitted at the sole discretion of the General Partner to increase the amount of their Commitments at any time up to the Final Closing Date, provided that they each execute a Subscription Agreement reflecting the increase of Commitment, and such Investors shall be treated as if they were Subsequent Investors in respect of the increased amount of their Commitments for the purposes of clause 3.11 and for all other purposes of the LPA and this Memorandum.

3.11.3 Where a Subsequent Investor is admitted to the Fund after the First Closing Date pursuant to the provisions of this clause and sums have been drawn down (the "**Relevant Drawdown**") from Investors ("**Existing Investors**") on or after the First Closing Date but prior to the First Drawdown Date of the Subsequent Investor, such Subsequent Investor shall pay to the Fund on its First Drawdown Date:

- i. The subscription price of the applicant drawdown notice calculated in accordance with Section 9 of the LPA;
- ii. the amount notified to the Subsequent Investor by the General Partner as being the aggregate amount which it would have had to pay (excluding amounts attributable to the Management Fee or drawings on account thereof) had it been admitted to the Fund at the First Closing Date;
- iii. a sum equal to interest calculated on the amount payable under clause 3.11.3 (i) during the period commencing on the date of the Relevant Drawdown and ending on the First Drawdown Date of such Subsequent Investor at the Interest Rate;
- iv. a sum equal to the amount which the Subsequent Investor would have been required to pay to the Fund in respect of the Management Fee (or drawings on

- account thereof), had it been admitted to the Fund at the First Closing Date; and
- v. a sum equal to interest calculated on the amount payable under clause 3.11.3 (iii) during the period commencing on the date of the Relevant Drawdown and ending on the First Drawdown Date of the Subsequent Investor at the Interest Rate.

Amounts paid by Subsequent Investors pursuant to clauses 3.11.3 (iii) & (iv) shall be paid to the General Partner.

Following any Subsequent Investor's admission to the Fund, the General Partner shall allocate or reallocate Investments, Organisational Expenses, and Fund Expenses between Investors and the income and Capital Accounts of Investors so that each Investor bears an amount of such expenses and acquires an amount of Investments in proportion to such Investor's Commitment. Further the Percentage Interest of each Investor in the Fund will be adjusted accordingly.

Provisions in relation to the Subsequent Investors are set out in further detail under clause 4 of the LPA

3.12 Currency

The Currency will be the Euro.

3.13 Prevention of Money Laundering

Pursuant to applicable laws and regulations, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes.

Measures aimed towards the prevention of money laundering, as provided by the Prevention and Suppression of Money Laundering Activities Laws of 2007 to 2019 , relating to the fight against money-laundering and the financing of terrorism and any directives or circulars of the Regulator and in particular Directive 157/2019 of 2019 for the Prevention of Money Laundering and Terrorist Financing (together the “AML Law”), may require a detailed verification of a prospective Investor's identity.

It is a legal requirement for the Fund to appoint an Anti-Money Laundering Compliance Officer (the “**AMLCO**”). The names and positions of any person(s) appointed to serve as the AMLCO of the Fund from time to time should be communicated to the Regulator.

The AMLCO is primarily responsible in consultation with the General Partner towards the Regulator in implementing the AML Law, as well as all other instructions and recommendations issued by the Regulator or any other regulatory authority from time to time, on the prevention of the criminal use of the financial system for the purpose of money laundering. As a minimum the AMLCO is responsible for receiving information from the Fund or its employees considered to be knowledge of money laundering activities or is cause of suspicion connected with money laundering. Such information shall be processed, validated and considered and, if verified, be recorded and retained on file and, if applicable, be submitted to the Unit for Combating Money Laundering of Cyprus (“**MOKAS**”). In the exercise of his duties, the AMLCO provides advice and

guidance to other employees of the Fund as appropriate on money laundering issues. Further, the AMLCO prepares the following documents:

- a) an annual report, which is approved by the Directors and submitted to CySEC, dealing with money laundering and terrorist financing issues pertaining to the year under review, and
- b) a monthly prevention statement, for the purpose of enabling the Fund to evaluate and subsequently reinforce its systems of control and monitor its operations, in order to identify and detect early on any transactions which may be unusual and/or carry enhanced risk of being involved in money laundering and terrorist financing operations.

Any decisions of the AMLCO may be subject to the subsequent review of the Regulator which, in the course of examining and evaluating the anti-money laundering procedures of the Fund and its employees, as well as their compliance with the provisions of the AIF Law and any directives issued by it, is empowered to take further action.

Any decisions of the AMLCO may be subject to the subsequent review of the Regulator which, in the course of examining and evaluating the anti-money laundering procedures of the Fund and its employees, as well as their compliance with the provisions of the AIF Law, is legally empowered to report the Fund or its General Partner if it, in its opinion, does not comply with the provisions of the AIF Law to the Attorney General of Cyprus or to MOKAS where it forms the opinion that actual money laundering has been carried out.

Measures aimed towards the prevention of money laundering require from each Limited Partner to verify his identity and the source of funds to the satisfaction of the General Partner and the AMLCO. Checks on all Limited Partners will be performed by the AMLCO.

At a minimum:

- a) an individual Limited Partner will be required to produce a copy of a valid passport or other government issued ID card duly certified by a notary public as a true copy of the original or any other form of certification as may be acceptable by the General Partner, together with evidence of such Limited Partner's permanent address such as a recent utility bill or bank statement (less than three months) and one reference (bank or professional); and
- b) a corporate Limited Partner will be required to produce a certified copy of the certificate of incorporation (and any certificates on change of name), shareholders, directors and registered office, the current memorandum and articles of association (or equivalent), board resolution authorizing the relevant commitment (including the authorised signatories), certificate of incumbency, and copies of valid passports or other government issued ID card duly certified of the ultimate beneficial owners that hold 10% or more of the entity's issued shares, proof of permanent address such as a recent utility bill or bank statement (less than three months), and one reference (bank or professional).

The AMLCO will notify Limited Partners in case any additional proof of identity is required.

The AMLCO may require that any documents requested for the verification of the identity of the Limited Partner or the source of funds shall be provided in the English or Greek language translated by a certified translator.

Any information provided to the Fund in this context is collected for anti-money laundering compliance purposes only.

4. TRANSFER OF INTERESTS

4.1 Transfer of Class A LP Interests

4.1.1 A Limited Partner shall not transfer all or any part of its Class A LP Interest, whether voluntarily or involuntarily (including to an Associate or by operation of law) to investor(s) not qualifying as Eligible Investor(s) and without the prior written consent of the General Partner, which consent may be given or withheld in its absolute discretion for any reason whatsoever and without assigning any reason thereto, provided that the General Partner shall not unreasonably withhold or delay its consent in the case of any transfer by a Limited Partner:

- i. to an Associate of that Limited Partner, provided however that the ultimate transferee shall be obliged to transfer such interest back to the original transferor in the event that (i) the transfer is undertaken as a series of transfers which would result in the ultimate transferee not being an Associate of the original transferor; or (ii) the ultimate transferee otherwise ceases to be an Associate of the original transferor;
- ii. who is acting as trustee, nominee, or custodian to a replacement or successor trustee, nominee or custodian without any change in the beneficial ownership of the Limited Partner's Interest;
- iii. to any other fund or collective investment scheme managed or advised by the same manager or adviser of an existing Limited Partner;

4.1.2 Without derogation to the generality of the foregoing and the General Partner's right of discretion, the General Partner may withhold its consent to a proposed transfer among others on the following grounds:

- i. if the transferee does not qualify as an Eligible Investor or is a Prohibited Person;
- ii. if the General Partner reasonably considers that the transfer would cause the Fund to be terminated;
- iii. if the General Partner reasonably considers that the transfer would violate any other applicable laws or regulations (including, without limitation, the

AIF Law) or any term or provision of the LPA and/or of the Memorandum;

- iv. if the General Partner reasonably considers that the transfer would or could adversely affect the Fund, the General Partner (or any Associate thereof) or the Class A LP Interests to any charge or taxation to which it would not otherwise be subject;
- v. if the General Partner reasonably considers that the proposed transferee would be unable to meet its obligations under the LPA, the Memorandum and the Subscription Agreement in respect of Commitments; or
- vi. if the General Partner reasonably considers the transferee to be a competitor of the Fund, or to be of lower creditworthiness than the transferor.

4.1.3 By derogation to the foregoing, Class A LP Interests will be freely transferable to other Class A Limited Partners in case a Class A Limited Partner is required, under a binding legal or regulatory obligation to terminate its investment in the Fund. Such binding legal or regulatory obligation should be evidenced to the General Partner by means of a legal opinion from an internationally reputed law firm.

No transfer of Undrawn Commitments will become effective unless and until the transferee agrees in writing to fully and completely assume any outstanding or future obligations of the transferor in relation to the transferred Class A LP Interests and any Undrawn Commitment to subscribe for Class A LP Interests under the relevant Subscription Agreement and executes a Deed of Adherence, whereupon the transferor shall be released from (and shall bear no further liability for) such liabilities and obligations.

4.2 Transfer of Class B LP Interests

The transfer of Class B LP Interests is (i) subject to the consent of the General Partner, and (ii) limited to Associates of the relevant Class B Limited Partner and (iii) shall be carried out in accordance with the applicable laws.

5. **WITHDRAWAL**

5.1 A Limited Partner may be required by the General Partner after prior consultation between the Limited Partner and the General Partner, by notice to such Limited Partner, completely or partially to withdraw from the Fund if, in the reasonable judgement of the General Partner, supported by an opinion of its counsel (such opinion and counsel to be reasonably satisfactory to such Limited Partner) which shall be supplied to the Limited Partner, by virtue of that Limited Partner's Interest, a significant delay, extraordinary expense or material adverse effect (including a material adverse tax

consequence) on the Fund, any other Partner or any of their respective Associates or any proposed or existing Investment is likely to result.

- 5.2 If the General Partner shall receive notice or otherwise become aware that any Investor is the subject of any statutory or regulatory prohibition or that there will be a material adverse tax consequence on the Fund, any other Partner or any of their respective Associates or that there are other facts, matters or circumstances (including possible money laundering or any other illegal activities) as a result of which such Investor was not legally authorised to subscribe for its Commitment, the General Partner shall have the right to require such Investor to withdraw from the Fund, in which event the General Partner shall, as soon as the Fund is able to do so, return to such Investor the amount of its Capital Contribution unless to do so would put the General Partner in breach of its responsibilities under anti-money laundering or similar law or regulation to which it is subject, provided that the amount returned to such Investor shall not exceed the value of the Investments attributable to that Limited Partner's Interest as shown in the last independent valuation, whereupon such Investor shall cease to have any Interest whatsoever in the Fund.

If the General Partner requires that an Investor withdraw in accordance with clause 5.1 or 5.2:

- i. part of the Capital Contribution of Founder Partner shall be repaid so that the Founder Partner's Capital Contribution (excluding any Capital Contribution subscribed by it as an Investor) shall be equal to 1% of the aggregate Capital Contributions; and the amount of the Aggregate Commitments for the purposes of voting at meetings and consents of Investors shall be determined without regard to the Commitment of the Investor expelled.
- 5.3 If, under the terms of this clause 5.3, the General Partner is entitled to require the withdrawal of any Feeder Vehicle but would not be entitled to do so if one or more limited partners of such Feeder Vehicle withdraw from the Feeder Vehicle, the General Partner shall immediately inform such Feeder Vehicle of such fact and the right to require the withdrawal of such Feeder Vehicle shall be suspended for a period of 28 days to permit the withdrawal of the limited partner concerned to be effected. If, following the 28 day period, the relevant Feeder Vehicle has failed to require the withdrawal of the limited partner concerned the General Partner shall be entitled to require the withdrawal of such Feeder Vehicle from the Partnership.

6. DISTRIBUTIONS

6.1 Priority of distribution of cash

- i. Subject to the relevant provisions of the LPA, all Net Income and Capital Proceeds shall be applied in the following order of priority (after payment of the expenses and liabilities of the Fund): first, in payment to the General Partner of the Management Fee (less any amounts already drawn down by the General Partner in respect of the Management Fee in accordance with clause 7.4);
- ii. second, in repaying 100% of the Capital Contributions to the holders of Class A LP Interests. ("Capital Return");

- iii. third, in paying to the holders of Class A LP Interests the Preferred Return;
- iv. fourth, in repaying 100% of the Capital Contributions to the holder of Class B LP Interest plus 25% of the Preferred Return distributed to the Class A LP Interests (“Carried Interest”);
- v. finally, in paying any further sums up to 80% to the holders of Class A LP Interests (pro rata to their respective Percentage Interest) and 20% to the holder of Class B LP Interest.

For the avoidance of any doubt an Excused or Excluded Investor as the case may be shall not be allocated or be entitled to receive a distribution in accordance with clause 6.1 in relation any Investment for which they have been excluded or excused.

Any withholding or other tax incurred by the Fund or in respect of one or more Investments that is attributable to the status of an Investor (including by reason of an Investor’s failure to disclose information about itself that is needed to avoid or reduce such tax) will be treated as an amount distributed to such Investor. At the General Partner’s sole discretion, either (i) future distributions to such Investors will be reduced by the amount of such tax, or (ii) the Investors will be obligated to reimburse the Fund for the amount of such tax.

6.2 Limitations on distributions

- i. The General Partner shall not be obliged to cause the Fund to make any distribution in whole or in part under this clause 6 if:there is insufficient cash available;
- ii. the Fund would be rendered insolvent; or
- iii. in the reasonable opinion of the General Partner, as a result of making a distribution the Fund would or might be left with insufficient funds to meet any present or future anticipated liabilities, expenses, obligations or contingencies including the Management Fee in any Accounting Period.

6.3 Distributions in respect of Temporary Investments and Bridge Financings

Net income and gains which arise in connection with Temporary Investments and Bridge Financings shall be allocated and distributed among all Investors pro rata to their respective Percentage Interest or on such other basis as the General Partner, acting in its sole discretion, shall reasonably and equitably determine.

If and to the extent that a Bridge Financing has not been released or repaid to Investors within the period of 12 months from the date such Bridge Financing was entered into, such Bridge Financing shall be treated for all purposes of this Agreement as if it had been an Investment from the date it was entered into and the General Partner shall make such reasonable adjustments to the amounts that have been or are allocated and distributed pursuant to this Agreement as it shall reasonably specify.

Where the proceeds of realisation of an Investment (or any part thereof) have been invested in a Temporary Investment pending distribution, then such proceeds shall be treated for the purposes of calculating the Preferred Return pursuant to clause 6.1 (ii) as having been distributed on the date they were invested in such Temporary Investment.

6.4 Timing of distributions

Subject to the provisions of clause 6.2 and clause 6.5 to 6.9:

Capital Proceeds shall be distributed in accordance with clause 6.1 as soon as practicable after the relevant amounts have been received in cash by the Fund; and

Net Income of the Fund shall be distributed in accordance with clause 6.1 not less than on an annual basis or at any other time or times as the General Partner acting in its sole discretion, determines appropriate, provided that the General Partner shall not be obliged to cause the Fund to distribute amounts of less than one hundred thousand EUR(€100,000).

6.5 Reinvestment

The General Partner shall not be obliged to cause the Fund to distribute, and shall be entitled to cause the Fund to reinvest:

- i. monies comprising Capital Proceeds received by the Fund on the realisation of any Investment up to an aggregate amount equal to 10% of Aggregate Commitments;
- ii. monies comprising Capital Proceeds received by the Fund from underwriting transactions and Bridge Financings made by the Fund (or any Investment Holding Entity) where such commitments or Bridge Financings lapse or are sold down in whole or in part within 12 months of the making of the commitment or Bridge Financings;
- iii. monies comprising Capital Proceeds received by the Fund on the realisation of any Investment arising within 18 months of the making of the Investment (up to the amount of its Acquisition Cost);
- iv. the proceeds of Temporary Investments.

In the event of actual or potential currency fluctuations which would result in the Fund having insufficient funds for the making of an Investment from monies previously drawdown for that purpose, to the extent required to meet the funding obligation on making such Investment, the General Partner shall not be obliged to cause the Fund to distribute, and shall be entitled to retain monies comprising Capital Proceeds received by the Fund on the realisation of any other Investment, up to an aggregate amount equal to 10% of Aggregate Commitments.

6.6 Escrow and Clawback of the Carried Interest

Prior to the expiration of the Term or the dissolution of the Fund, the Fund shall withhold distributions of Carried Interest and open and maintain a separate account with

a financial institution (the "**Escrow Account**") for the benefit of the General Partner and the Limited Partners for the purposes described below. There shall be paid into the Escrow Account an amount equal to 25% of the Carried Interest net of any tax in respect of such amount assessed on, or assessable on, the Founder Partner and/or any other Person entitled to any direct or indirect interest in such distributions, or any part thereof, which would otherwise be distributed to the Founder Partner. The balance of the Carried Interest distributions to the Founder Partner, after deduction of such amount to the Escrow Account, shall be paid to the Founder Partner.

The Founder Partner shall be entitled to have distributed to it cash from the Escrow Account in such amount as is necessary to satisfy any tax liability with respect to the Carried Interest received by the Founder Partner and any distribution made pursuant to this paragraph shall be for the account of, and be deemed to be the separate property of the Founder Partner and shall not be repayable by the Founder Partner or any other Person.

If at any time, the General Partner certifies in writing that the amounts in the Escrow Account are sufficient to meet the maximum potential payment under the clawback provisions set out below, the amounts which exceed such maximum potential payment may be released from the Escrow Account and paid to the Founder Partner. For the purposes of calculating the maximum potential payment under the clawback provisions, the General Partner shall assume that (i) all the Investments which remain unrealised will be written off, (ii) all the Commitments that remain available for drawdown at such time will be drawn down and used to acquire the Investments that are subsequently written off, and (iii) no further amounts are distributed to the Partners.

To the extent amounts remain in the Escrow Account after the reallocation provided above, including income earned thereon, such amounts shall be the property of the Founder Partner and shall be distributed to it at the time of distribution of substantially all of the remaining cash and assets of the Fund.

If, after giving effect to all distributions made pursuant to clause 6.1 above, but before giving effect to the following provisions in relation to clawback, either

- a) the Founder Partner has received distributions pursuant to clause 6.1 (iv) that exceed 25% of the excess of net income of the Fund in excess of the Capital Return; or
- b) the distributions received by the Class A Limited Partners are not sufficient to provide such Limited Partners with their Preferred Return ("**Preferred Return Shortfall**"),

then the Founder Partner shall, contribute to the Fund the lesser of:

- a) the greater of (x) the amount of the excess of such distributions over such 25% described in (a) above or (y) the amount of the Preferred Return Shortfall; or
- b) the amount of the aggregate distributions received by the Founder Partner pursuant to clause 6.1(iv) attributable to such Interests, less the amount of tax imposed on the Founder Partner or any of their director or indirect owners with

respect to such distribution (including in respect to any in-kind distributions as though they were sold on the date of distribution),

and the Founder Partner shall, contribute to the Fund an amount sufficient to satisfy any such obligations, and the Fund shall distribute such amount to the relevant Class A Limited Partners. Payments pursuant to this clawback provision shall first be satisfied out of the amounts then held in the Escrow Account and, if amounts held in the Escrow Account are insufficient to satisfy such obligation, by the payment made by or on behalf of the Founder Partner either in cash or, at the election of the Founder Partner, as the case may be, by the return of securities previously distributed to the Founder Partner by the Fund, valued at their fair market value at the time of distribution to the Founder Partner. Following satisfaction of any obligations under this clawback, or if no payment is required to be made under this clawback, the Founder Partner shall be entitled to all amounts remaining in the Escrow Account.

6.7 Treatment of Commitments

Any distribution made to the Investors shall, until such time as the Capital Contributions of each are fully repaid, be treated in the books of the Fund as a pro rata repayment of the Capital Contributions. To the extent that on the termination of the Fund the Fund has insufficient Net Income or Capital Proceeds to repay the Capital Contributions in full, the balance remaining unpaid shall cease to be repayable and the Investors shall have no claim whatsoever against the Fund, any Partner or any of their Associates for the shortfall. Save pursuant to clauses 6.8 of this Memorandum and 12.6.4 of the LPA, no Partner shall have the right to receive property other than cash in repayment of its Capital Contribution.

6.8 Distribution in specie

In respect of Investments which achieve or are to achieve a Quotation, the General Partner will generally seek to realise Investments and make distributions in cash but may choose to distribute such securities to Investors and such distributions will be treated as realised at their Market Value and distributed in accordance with clause 6.1. Subject to the provisions of the LPA, if an Investor notifies the General Partner that it does not wish to receive distributions in specie, the General Partner shall use reasonable endeavours to sell such investments at the best possible price on the Investor's behalf and to distribute the proceeds, net of reasonable costs associated with the disposal. For the avoidance of doubt, where the General Partner does use its reasonable endeavours to sell such investments, the Investor shall be deemed to have received such Investments at the Market Value at which they would have been distributed in specie.

Subject to the provisions of the LPA, distributions in specie may only be made in relation to securities which shall have achieved, or are about to achieve, a Quotation, which are readily marketable and which are not subject to any legal or contractual restriction on transfer. In addition, the General Partner may in its sole discretion decide to make a distribution in specie to those Investors who request such a distribution.

Where a distribution in specie is made of securities which have already achieved a Quotation, the Market Value to be attributed to such securities shall be calculated by reference to the average of the middle market closing price of such securities for the five (5) trading days immediately preceding the date of distribution and an estimation

of the five (5) trading days immediately following the date of distribution (and where such estimation is incorrect, any discrepancy shall be accounted for in the next distribution made to Investors). Where the distribution in specie relates to securities which are about to be listed, the Market Value to be attributed to such securities shall be as determined by the General Partner in its reasonable discretion and approved by the Auditors.

If the General Partner intends that the Fund shall make a distribution of assets in specie, it shall give Investors not less than ten (10) days' notice of its intention, specifying the securities to be distributed and the date of the proposed distribution.

Distributions in specie of securities shall be apportioned on the same basis as distributions of cash under clause 6.1 such that each Investor shall receive a proportionate amount of the total securities available for distribution, or (if such method of distribution is for any reason impracticable) such that each Investor shall receive as nearly as possible a proportionate amount of the total securities available for distribution together with a balancing payment in cash in the case of any Investor who shall not receive the full proportionate amount of securities to which he would otherwise be entitled hereunder. Any such distribution in specie shall be applied in the order set out in clause 6.1 at the Market Value of the assets concerned. For the avoidance of doubt, any stamp duty, stamp duty reserve tax or other transfer taxes and duties payable on any such transfer shall be for the account of each relevant Investor as appropriate.

The provisions of this clause 6.8 apply to distributions in specie during the life of the Fund and shall be without prejudice to the provisions of the provisions of the LPA.

6.9 Tax Credits

For the purposes of this clause 6 and the relevant provisions of the LPA, the amount of (i) income or capital allocated or distributed to Investors and (ii) any part of the Management Fee payable to the General Partner shall be deemed to be the aggregate of such income or capital or Management Fee respectively net of any income tax or other tax withheld from dividends or interest ("Tax Credits").

7. FEES AND EXPENSES

7.1 Fund Charges and Expenses

The Fund will bear the following charges and expenses in respect of:

- (a) operating expenses including all taxes, duties, stamp duties, governmental and similar charges, commissions, foreign exchange costs, bank charges, registration fees relating to investments, insurance and security costs, expenses of the offer of Interests;
- (b) the fees, costs and expenses of establishing, maintaining, operating, managing, protecting and winding-up any Investment Holding Entity, including if necessary employee costs of such entity (and, for the avoidance of doubt, no such employee will provide any services to the General Partner);
- (c) all Broken Deal Expenses or such portion thereof to be borne by the Fund in accordance with the provisions of clause;

- (d) usual brokerage and other transaction fees and expenses (including, without limitation, legal, accounting, surveyor's and other professional fees) incurred on transactions with respect to the acquisition or disposal or proposed acquisition or disposal of the portfolio and related expenses in connection with the acquisition or disposal of the assets, irrespective whether the transactions have materialised or not;
- (e) accounting, due diligence, legal, and other service providers in relation to the portfolio and the Fund and all other fees and expenses incurred by the General Partner acting in respect of the Fund;
- (f) reporting and publishing expenses, including the cost of preparing and/or filing of the LPA and all other documents concerning the Fund, including the Memorandum and explanatory memoranda and registration statements with all authorities having jurisdiction over the Fund or the offering of Class A LP Interests of the Fund; the cost of preparing, in such languages as are required for the benefit of the Limited Partners, including the beneficial holders of the Class A LP Interest, and distributing annual and all other periodic reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities and the costs and expenses of local representatives appointed in compliance with the requirements of such authorities;
- (g) the cost of convening Investors' Meetings or of consulting the Investors in writing;
- (h) the reasonable costs and expenses of the Investment Committee and travel, accommodation, telephone and other out-of-pocket expenses incurred by members of the Investment Committee in connection with meetings or other business of the Investment Committee;
- (i) expenses incurred in determining the NAV and valuating the assets;
- (j) the costs of preparing, printing and distributing all valuations, statements, accounts and performance and investment reports;
- (k) the Auditors' fees and expenses in relation, to the Fund;
- (l) the costs of amending and supplementing the LPA, the Memorandum, the agreements and documents relating to the Fund and all similar administrative charges;
- (m) costs incurred to enable the Fund to comply with legislation and official requirements provided that such costs are incurred substantially for the benefit of the Partners and any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agencies; and
- (n) all other taxes and all fees or other charges levied by any governmental agency against the Fund in connection with its investments or otherwise;
- (o) any irrecoverable VAT (or similar levy or duty) relating to any such costs and expenses;

- (p) all other costs and expenses in connection with the operations or administration of the Fund and the portfolio incurred to procure the achievement of the Investment Objective and the Investment Policy, including the costs of due diligence on investments.

Where appropriate, the fees and expenses borne by the Fund may be charged to the Investment Holding Entity.

The General Partner will be responsible for the routine expenses associated with its own functioning and operations, including but not limited to overhead, rent, salaries and associated employee benefits.

7.2 Broken Deal Expenses

The Fund will bear the Broken Deal Expenses of the Fund.

7.3 Organisational Expenses

The Fund will bear all Organisational Expenses and all placement fees, up to a maximum of one hundred thousand ((€100,000) EUR. Any Organisational Expenses in excess of such amount shall be borne by the General Partner unless the General Partner determines that any such excess Organisational Expenses shall be borne by the Partnership and, in such case, one-quarter of the aggregate amount thereof shall be credited against the Management Fee payable during each of the four semi-annual periods commencing on or after the Final Closing Date;

7.4 Management Fee

From the First Closing Date, the Fund will pay a Management Fee to the General Partner for each Accounting Period as follows:

- i. until the earlier of (i) the expiry of the Commitment Period and (ii) such date as the General Partner has closed a Successor Fund and a priority profit share, management fee or other such similar fee is paid to the General Partner or an Associate (the date that the earlier of (i) or (ii) occurs being the "Reduction Date"), a sum equal to 2% per annum of Aggregate Commitments; with effect from the Reduction Date, a sum equal to 2% per annum of the aggregate Acquisition Cost of Investments held by the Partnership reduced by the Acquisition Cost of Investments which have been realised or fully written off.

It is noted that after the end of Commitment Period the Contributions of an Excused or Excluded Investor as the case may be, shall not be applied towards the Management Fees due in respect to the particular Investment to which the Excused or Excluded Investor does not participate. For the avoidance of any doubt, however, during the Commitment Period the Contributions of an Excused or Excluded Investor to pay the Management Fees shall be calculated, drawn down and paid pursuant to general rules set out in this clause 7.4 based on the general amount of the Commitments made by the Excused or Excused Investor respectively.

The Management Fee is subject to further adjustments in accordance with the relevant provisions of the LPA.

7.5 Service Providers' Fees

The Depositary and the Administrator shall be entitled, out of the assets of the Fund, to such fees as shall be determined from time to time and calculated in accordance with usual market practices in Cyprus for the provision of similar services. Such fee shall include any fees payable by the Depositary to any Correspondents, agents and securities systems. In addition to the above fees, the Depositary and the Administrator shall be reimbursed by the Fund for all reasonable out-of-pocket expenses incurred in connection with its obligations to the Fund.

7.6 Value Added Tax

All fees and expenses pursuant to the above are exclusive of value added taxes or other chargeable thereon, which shall be paid by the Fund as required.

7.7 Indemnification

The Fund will, as far as permitted by Cyprus law and regulations, indemnify the General Partner and any of its respective Associates, shareholders, officers, directors, managers, agents, representatives, employees and members, or the members of the Investment Committee (each an "**Indemnified Party**") against all claims, liabilities, cost and expenses incurred in connection with their role as such, other than that incurred as a result of such Indemnified Party's gross negligence, fraud or wilful misconduct. Limited Partners will not be individually liable with respect to such indemnification beyond the amount of their Commitment.

The Indemnified Parties shall have no liability for any loss incurred by the Fund or any Partner howsoever arising in connection with the service provided by them in accordance with the Memorandum and the LPA, and each Indemnified Party, as far as permitted by Cyprus law and regulations, shall be indemnified and held harmless out of the assets of the Fund against all actions, proceedings, reasonable costs, charges, expenses, losses, damages or liabilities incurred or sustained by an Indemnified Party in or about the conduct of the Fund's business affairs or in the execution or discharge of its duties, powers, authorities or discretions in accordance with the terms of the appointment of the Indemnified Party, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by it in defending (whether successfully or otherwise) any civil proceedings concerning the Fund or its affairs in any court whether in Cyprus or elsewhere, unless such actions, proceedings,

costs, charges, expenses, losses, damages or liabilities resulted from its gross negligence, wilful misconduct or fraud.

Pursuant to the Subscription Agreement, each Investor agrees to indemnify and hold harmless the Fund from and against all losses, liabilities, actions, proceedings, claims, costs, charges, expenses or damages incurred or sustained by the Fund due to or arising out of (a) a breach of or any inaccuracy in representations, declarations, warranties and covenants made by such Investor in the Subscription Agreement or (b) the disposition or transfer of its LP Interest contrary to such representations, declarations, warranties and covenants, or to any applicable law and regulations, and (c) any action, suit or proceeding based upon (i) the claim said representations, declarations, warranties and covenants were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Fund under any laws, or (ii) the disposition or transfer of such Investor's LP Interest or undrawn Commitment or any part thereof.

8. DETERMINATION OF THE NET ASSET VALUE

8.1 Calculation

The General Partner shall arrange for the calculation of the NAV to be done as of each Valuation Date. The General Partner shall delegate the calculation of the NAV of the Fund to the Administrator.

In calculating the NAV, the value of the Fund's Assets and the value of the Fund's liabilities shall be determined in accordance with IFRS. The NAV may be rounded up or down as the General Partner, may decide and shall be expressed in the Currency of the Fund.

The General Partner will provide the Administrator with the requisite information required to report the NAV and the Capital Account balances to the Limited Partners and regulatory authorities (where applicable). The determination of the General Partner as to all matters concerning valuation of securities will be final and conclusive as to all Limited Partners, unless an independent valuation is requested by the Limited Partners representing a simple majority of the Aggregate Commitments in the Fund.

The total net assets of the Fund will be equal to the difference between the gross assets (including the Market Value of the assets owned by the Fund and its Investment Holding Entities) and the liabilities of the Fund based on consolidated accounts prepared in accordance with IFRS.

The calculation of the NAV of the Fund shall be made in the following manner consistent with IFRS:

8.1.1 Assets of the Fund

The assets of the Fund shall include:

- i. all assets registered in the name of the Fund or any of its Investment Holding Entities;

- ii. all shares, units, convertible securities, debt and convertible debt securities or other securities of Investment Holding Entities registered in the name of the Fund;
- iii. all shareholdings in convertible and other debt securities of Investment Holding Entities;
- iv. all cash in hand or on deposit, including any interest accrued thereon;
- v. all bills and demand notes payable and accounts receivable (including proceeds of properties, property rights, securities or any other assets sold but not delivered);
- vi. all bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, financial instruments and similar assets owned or contracted for by the Fund;
- vii. all stock dividends, cash dividends and cash payments receivable by the Fund to the extent information thereon is reasonably available to the Fund or the Depositary;
- viii. the liquidating value of all forward contracts, swaps and all call or put options the Fund has an open position in; and
- ix. all other assets of any kind and nature including expenses paid in advance, insofar as the same have not been written off.

8.1.2 The value of the Fund's Assets shall be determined as follows:

- i. Securities or investment instruments which are listed on a stock exchange or dealt in on another regulated market will be valued on the basis of the last available publicised stock exchange or Market Value.
- ii. Securities or investment instruments which are not listed on a stock exchange nor dealt in on another regulated market as well as other non-listed assets will be valued on the basis of the probable net realisation value (excluding any deferred taxation) estimated with prudence and in good faith by the External Valuer.
- iii. private equity investments will initially be valued at cost, which approximates market/transaction value. Transaction costs such as legal fees, third party advisory fees or administrative expenses will be added to the investment costs in those cases where it is possible to clearly and directly allocate these to the investment. The value of the investments through Investment Holding Entity will be periodically updated on the basis of available financial and business reports from the relevant investment, by using valuation techniques which may include the use of comparable recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market

participants. The General Partner may ask the External Valuer to determine the Market Value for any investment of the Fund.

- iv. If a net asset value is determined for the units or shares issued by an Investment Structure which calculates a net asset value per share or unit, those units or shares will be valued on the basis of the latest available net asset value determined according to the provisions of the particular issuing documents of this Investment Structure or, at their latest unofficial net asset values (i.e. estimates of net asset values which are not generally used for the purposes of subscription which may be provided by a pricing source – including the investment manager of the Investment Structure, if any – other than the administrative agent of the Investment Structure) if more recent than their official net asset values. The net asset value calculated on the basis of unofficial net asset values of Investment Structures may differ from the net asset value which would have been calculated, on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the Investment Structures. However, such net asset value is final and binding notwithstanding any different later determination. In case of the occurrence of an evaluation event that is not reflected in the latest available net asset value of such shares or units issued by such Investment Structures, the valuation of the shares or units issued by such Investment Structures may be estimated with prudence and in good faith by the External Valuer to take into account this evaluation event. The following events qualify as evaluation events: capital calls or distributions effected by the Investment Structure or one or more of its underlying investments as well as any material events or developments affecting either the underlying investments or the Investment Structures themselves ("Evaluation Event").
- v. An interest or participation in Investment Structures for which no net asset value is determined will be valued at cost as long as no report is available, and no Evaluation Event has occurred. If a report regarding the Investment Structure is available, the interest in the Investment Structures will be valued on the basis of the latest available report as long as no major Evaluation Event occurred.
- vi. The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- vii. The liquidating value of futures, forward or options contracts not dealt in on a stock exchange or another regulated market shall mean their net liquidating value determined, pursuant to the policies established by the External Valuer, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on a stock exchange or another regulated market shall

be based upon the last available settlement prices of these contracts on such regulated markets on which the particular futures, forward or options contracts are dealt in by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the External Valuer may deem fair and reasonable; and

- viii. Interest rate swaps will be valued at their Market Value established by reference to the applicable interest rates curve. Index and financial instruments related swaps will be valued at their Market Value established by reference to the applicable index or financial instrument. The valuation of the index or financial instrument related swap agreement shall be based upon the Market Value of such swap transaction established in good faith pursuant to procedures established by the External Valuer.

The General Partner will check the overall accuracy of the valuations and may, in its discretion, permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset or liability of the Fund in compliance with IFRS. This method will then be applied in a consistent way.

8.1.3 Liabilities of the Fund

The Liabilities of the Fund shall include:

- i. all loans and other indebtedness for borrowed money (including convertible debt), bills and accounts payable;
- ii. all accrued interest on such loans and other indebtedness for borrowed money (including accrued fees for commitment for such loans and other indebtedness);
- iii. all accrued or payable expenses (including administrative expenses, management and advisory fees, including incentive fees (if any), custody fees, paying agency, registrar and transfer agency fees and domiciliary and corporate agency fees as well as reasonable disbursements incurred by the service providers);
- iv. all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including any fees payable by the Fund and the amount of any unpaid distributions declared by the Fund, where the Valuation Day falls on the record date for determination of the person entitled thereto or is subsequent thereto;
- v. an appropriate provision for taxes on the calculation day, as determined from time to time by the Fund, and other reserves (if any) authorised and approved by the General Partner, as well as such amount (if any) as the General Partner may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund; and

- vi. all other liabilities of the Fund of whatsoever kind and nature reflected in accordance with Cyprus law. In determining the amount of such liabilities the Fund shall take into account all expenses payable by the Fund and may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

The General Partner, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset or liability of the Fund. This method will then be applied in a consistent way. The Administrator can rely on such deviations as approved by and under the ultimate responsibility of the General Partner for the purpose of the NAV calculation.

8.1.4 For the purpose of the above,

- i. all investments, cash balances and other assets expressed in currencies other than the Accounting Currency shall be valued after taking into account the market rate or rates of exchange in force at the date and time for determination of the NAV; and
- ii. where on any Valuation Day the Fund has contracted to:
 - purchase any asset (if the underlying risks and rewards of transaction are transferred), the value of the consideration to be paid for such asset shall be shown as a liability of the Fund and the value of the asset to be acquired shall be shown as an asset of the Fund;
 - sell any asset (if the underlying risks and rewards of transaction are transferred), the value of the consideration to be received for such asset shall be shown as an asset of the Fund and the asset to be delivered by the Fund shall not be included in the assets of the Fund;

provided, however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Day, then its value shall be estimated by the General Partner.

The latest NAV may be obtained at the registered office of the Fund at the latest 60 Business Days after the most recent Valuation Day.

For the avoidance of doubt, the provisions of this clause including, in particular, the above paragraph are rules for determining the NAV and are not intended to affect the treatment for accounting or legal purposes of the assets and liabilities of the Fund.

8.2 Temporary Suspension of the Calculation of the NAV

Pursuant to the LPA, the determination of the NAV may be suspended by the General Partner during:

- a) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the General

Partner, disposal of the assets owned by the Fund is not reasonably practicable without this being seriously detrimental to the interests of Limited Partners; or

- b) any breakdown in the means of communication normally employed in determining the price of any of the Fund's assets or if for any reason the value of any asset of the Fund which is material in relation to the determination of the NAV (as to which materiality the General Partner shall have sole discretion) may not be determined as rapidly and accurately as required; or
- c) any period when the value of any wholly owned (direct or indirect) Investment Holding Entity of the Fund may not be determined accurately; or
- d) any period when any transfer of funds involved in the realisation or acquisition of investments cannot in the opinion of the General Partner be affected at normal rates of exchange; or
- e) upon the publication of a notice convening an Investors' Meeting for the purpose of resolving to wind up the Fund; or
- f) any period when any one of the principal markets or other stock exchanges on which a portion of the assets of the Fund, are quoted is closed (otherwise than for ordinary holidays) or during which dealings therein are restricted or suspended; or
- g) when for any other reason, the prices of any investments cannot be promptly or accurately ascertained;
- h) when such suspension is required by the Regulator as being in the best interest of the Investors.

Notice of such suspension shall be published, if deemed appropriate by the General Partner.

The suspension of the determination of the NAV pursuant to the above circumstances shall comply with the principle of equal treatment of the Limited Partners and be in THEIR BEST INTERESTS.

9. INVESTORS' MEETING

- 9.1 The General Partner shall, whenever it thinks fit, and at least once a year convene meetings of the Partnership, in any case on not less than 14 days' written notice in advance. The non-receipt of a notice of a meeting by any Limited Partner shall not invalidate the proceedings at the meeting. A Limited Partner may waive the right to notice in writing either before or after the meeting. Attendance may be in person, by proxy or delegee.
- 9.2 Notwithstanding the provisions of clause 9.1 above, Investors whose Commitments together total not less than 30% of Aggregate Commitments may requisition a meeting of the Partnership by giving not less than 14 days' written notice of such meeting to each of the Limited Partners and to the General Partner. The non-receipt of a notice by any limited Partner shall not invalidate the proceedings at the meeting.

- 9.3 No business shall be transacted at any general meeting unless a quorum of Limited Partners is present at the time when the meeting proceeds to business. Two (2) Limited Partners representing not less than 50% of Aggregate Commitments present in person or by proxy or delegee shall be a quorum except if there are fewer than two Limited Partners, in which case the meeting shall be quorate if that Limited Partner attends. It is to be noted that Investors' Meetings may be held in person or by telephone or video conference and may be attended or held in person by alternates or proxies.

Further requirements for the Investors' Meetings are laid down in the relevant provisions of the LPA.

10. INFORMATION AVAILABLE TO THE PARTNERS

10.1 Annual Reports and Other Information

Audited annual reports will be made available for public inspection at the registered office of the Fund and the latest annual report shall be available within 120 days of the end of each financial year. In addition, within 6 months after the end of the Financial Year the General Partner will submit the Fund's Audited Financial Statements to the Regulator.

On a semi-annual basis, the General Partner shall prepare an (unaudited) financial report as well as a business report. These semi-annual unaudited financial statements and business reports shall be available within 60 days of the end of each calendar half and submit them to the Regulator.

The audited annual reports and/or semi-annual unaudited reports shall contain information on (i) the historical performance of the Fund, (ii) the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature, (iii) any new arrangements for managing the liquidity of the Fund, (iv) the current risk profile of the Fund and the risk management systems employed by the General Partner to manage those risks, (v) any changes to the maximum level of leverage which the General Partner may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging agreement, and (vi) the total amount of leverage employed by the Fund.

The Fund's financial year ends on 31 December of each year. The first financial year of the Fund shall begin on the date of its incorporation and shall end on 31 December 2017. The Fund's first annual report will be published for this first financial year.

Any other financial information concerning the Fund, including the periodic calculation of the NAV will be made available at the registered office of the Fund. Any other substantial information concerning the Fund may be published in such newspaper(s) and notified to Limited Partners in such manner as may be specified from time to time by the General Partner.

10.2 Information to Unitholders

Under the AIFMD, the General Partner must periodically disclose to Unitholders certain information in relation to the Fund. This includes providing disclosure on the Fund's risk profile. Limited Partners will also be provided with information regarding

changes to: (i) the maximum level of leverage which the Fund may employ; or (ii) the rights for re-use of collateral under the Fund's leveraging arrangements; or (iii) any guarantee granted under the Fund's leveraging arrangements. This information will be made available to the Limited Partners, without undue delay following the occurrence of that change. Where required, such change will be preceded by notification to Unitholders.

The following information will be made available to the Limited Partners, as a minimum, as part of the Fund's annual report:

- (i) the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature;
- (ii) the current risk profile of the Fund and the risk management systems employed by the General Partner to manage those risks; and
- (iii) the total amount of leverage employed by the Fund.

10.3 Documents Available for Inspection

Copies of the following documents may be delivered without cost to interested Investors at their request and may be inspected free of charge during usual business hours on any Business Day at the registered office of the Fund:

- (i) Memorandum;
- (ii) LPA;
- (iii) Depositary Agreement;
- (iv) Administration Agreement;
- (v) Subscription Agreement; and
- (vi) Annual report(s).

11. DISSOLUTION AND LIQUIDATION

11.1 Automatic Dissolution

The Fund shall automatically be dissolved at its Term.

The Fund shall not be dissolved in the event of the General Partner's legal incapacity, dissolution, resignation, retirement, insolvency or bankruptcy or for any other reason provided under applicable law where it is impossible for the General Partner to act, it being understood for the avoidance of doubt that will not lead to the dissolution of the Fund. In the event of legal incapacity or inability of the General Partner to act as mentioned under the preceding paragraph, the Limited Partners will appoint a new general partner in accordance with the procedure outlined in the LPA, subject to the prior approval of CySEC.

Without prejudice to a voluntary dissolution, the Fund shall be dissolved if there is no longer at least one Limited Partner and the General Partner, which are distinct legal or natural persons.

11.2 Voluntary Dissolution

At the proposal of the General Partner and unless otherwise provided by law, the Fund may be dissolved by a resolution of the Limited Partners adopted in accordance with the provisions of the LPA.

11.3 Other Termination Events

The Fund may dissolve upon the occurrence of additional events to those described under clauses 11.1 and 11.2 above as set out under the relevant provisions of the LPA.

12. TAXATION

The present clause is a short summary of certain important Cyprus tax principles in relation to the Fund. The summary is based on laws, regulations and practice in force and applied in Cyprus at the date of the Memorandum. Provisions may change at short-term notice, possibly with retroactive effect.

The clause does not purport to be a complete summary of tax law and practice currently applicable in Cyprus and does not contain any statement with respect to the tax treatment of an investment in the Fund in any other jurisdiction. Furthermore, this clause does not address the taxation of the Fund in any other jurisdiction or the taxation of any Investment Holding Entity in which the Fund holds an interest in any jurisdiction.

Prospective Investors are advised to consult their own professional tax advisers in respect of the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling LP Interests in the Fund under the laws of their country of citizenship, residence, domicile or incorporation.

12.1 Taxation of the Fund

The Fund is created in the form of a Limited Liability Partnership. A Cyprus Fund in the form of a limited partnership is not a taxable entity under the laws of Cyprus, but an entity, whose taxable profits or losses are allocated to its partners according to their profit-sharing ratios applicable under the agreement. Each partner shall be taxed separately at the partner's level like any other person (company or individual) subject to exemptions and reliefs applicable.

Being an entity, which has no legal personality and is transparent for tax purposes, the Fund cannot be regarded as a tax resident of Cyprus and consequently will not benefit from the Double Tax Treaty network of Cyprus.

In light of the above, the tax treatment of the sources of income of the Fund will solely depend on the tax residence of each partner.

Caution should be exercised in the event where the activities of the Fund are such that may give rise to a Permanent Establishment (P.E.) in Cyprus; such event may occur in the event where the GP managing the Fund is a Cyprus tax resident and the Fund

engages into activities that give rise to Cyprus-sourced income. If so, income derived by the Fund will be taxed at the level of the Fund as a P.E. of the Limited Partners.

12.2 Taxation of the General Partner

The General Partner is a fully taxable corporation in Cyprus, it will be subject to corporate income tax at the current rate of 12.50% (statutory common rate for companies having their registered office in Cyprus) on any fees and other related income received by the Fund in relation to the services rendered. The General Partner is allowed to deduct any payment or costs suffered from the income/gains it receives/realises.

Any investment income or gains or other income received/realised by the General Partner will be subject to tax in the same manner as the Limited Partners.

12.3 Taxation of Limited Partners

Limited Partners are advised to consult their own professional advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the interests under the laws of their country of incorporation, citizenship, residence or domicile.

12.3.1 Contributions by Limited Partners

In the event that the Limited Partners proceed to a contribution/commitment to the Fund in return for an interest of an equal value, no Cyprus tax implications will arise.

12.3.2 Tax residency

A company is considered to be tax resident in Cyprus if its management and control is exercised in Cyprus.

An individual is considered to be tax resident in Cyprus if s/he stays in Cyprus for a period or periods exceeding in aggregate 183 days in the year of assessment.

12.3.3 Domicile

Domicile applies only in respect of individual Limited Partners and only in respect of tax arising under Special Contribution for Defence (SCD)

An individual who is resident in Cyprus for a period of at least 17 years out of the last 20 years prior to the tax year in question shall be deemed as domiciled in Cyprus for Special Contribution for Defence (SCD) purposes regardless of whether or not (s)he has his/her domicile of origin in Cyprus.

A person who has domicile of origin in Cyprus will be treated as “domiciled in Cyprus” for SCD purposes (and hence subject to SDC) with the exception of:

- An individual who has obtained and maintained a domicile of choice outside Cyprus under the provisions of the Wills and Succession Law, provided that this individual was not a Cyprus tax resident for any period of at least 20 consecutive years prior to the tax year in question; or

- An individual who was not a Cyprus tax resident for a period of at least 20 consecutive years immediately prior to the tax year in question.

Corporate or Personal Income tax rules apply solely based on tax residency and are not affected by the application of the domicile principle.

12.3.4 Dividend income

i. Corporate Limited Partners

Inter-company Dividends

Dividends paid from one Cyprus Company to another are free from any withholding tax in Cyprus.

Dividends received from abroad

Dividends received from abroad by a Cyprus tax resident company are exempt from corporate income tax, provided that they are not allowed as a tax deduction in the jurisdiction of the foreign paying company.

Further dividends distributed to a Cyprus tax resident company from a company abroad, are also exempt from Special Defence Contribution, if one of the following two conditions are satisfied:

- The company paying the dividend must not engage more than fifty percent directly or indirectly in activities which lead to passive income (non-trading income), or
- The foreign tax burden on the income of the company paying the dividend is not substantially lower than the tax burden in Cyprus.

If the above conditions are not satisfied, then dividends will be taxed at the rate of seventeen percent (17%).

In the event of dividends being subject to tax, credit shall be provided in respect of the same income. The credit shall not be available in the case of an arrangement, which having been put into place for the main purpose of obtaining a tax advantage, is not genuine, having regard to all relevant facts and circumstances. An arrangement shall be regarded as not genuine to the extent that it is not put into place for valid commercial reasons which reflect economic reality.

ii. Individual Limited Partners

Dividend income arising (through the Fund) for a Limited Partner who is a Cyprus tax resident and Cyprus domiciled individual (from both resident and non-resident companies) is subject to Special Contribution tax at the rate of 17%.

12.3.5 Interest income

i. Corporate Limited Partners

The tax treatment of interest income arising (through the Fund) for a Limited Partner who is a Cyprus tax resident company depends on whether interest income is closely related to the Limited Partner's ordinary course of business.

If the interest income is considered to be related to the ordinary course of business, it will be included in the taxable base of a Cyprus company and, after deducting all expenses incurred in its production, it will be subject to corporation tax at a rate of 12,5%.

If the interest income is considered not to be related to the ordinary course of business, the gross amount will be subject to Special Contribution tax at a rate of 30%, with no expenses allowable as a deduction against this income.

ii. Individual Limited Partners

Interest income arising for a Limited Partner who is a Cyprus tax resident and Cyprus domiciled individual will be subject to Special Contribution tax at a rate of 30%.

12.3.6 Capital gains

According to the Cyprus tax laws, profits from the sale of securities are exempt from taxation in Cyprus. Therefore, any gains arising (through the Fund) for Cyprus tax resident Limited Partners (both individuals and companies) from a disposal of qualified "securities" or units will be exempt from tax in Cyprus, on the assumption that no immovable property situated in Cyprus is, directly or indirectly involved.

Definition of "Securities"

The Cyprus tax authorities have issued circular 2008/13 of 17 December 2008 interpreting the definition of the term "securities", as currently defined under Article 2 of the Income Tax Law N118(I)/2002. Under Article 2 of the Income Tax Law N118(I)/2002, the term "securities" includes shares, bonds (both government and corporate bonds), debentures, founder's shares and other securities of companies or other legal persons, incorporated under the laws of Cyprus or abroad and options thereon.

Under the circular, the following are now defined as securities:

- (i) ordinary shares;
- (ii) founder's shares;
- (iii) preference shares;
- (iv) options on titles;
- (v) debentures;
- (vi) bonds;
- (vii) short positions on titles;
- (viii) futures/forwards on titles;
- (ix) swaps on titles;

- (x) depositary receipts on titles such as American Depositary Receipts and Global Depositary Receipts;
- (xi) rights of claim on bonds and debentures without including the rights on the interest of those products;
- (xii) index participations (only if they result in titles);
- (xiii) repurchase agreements or repurchase agreements on titles;
- (xiv) participations in companies such as the Russian OOO and ZAO, US LLC (provided that they are subject to taxation on their profits), Romania SA and SRL and Bulgarian AD and OOD; and
- (xv) units in open-ended or closed-ended collective investment schemes (provided that they are registered and operate in accordance with the provisions of the laws in the country of their registration). Examples of units in open-ended and closed-ended collective schemes include the following:
 - (a) investment and mutual funds (investment trusts, investment funds, mutual funds, U-unit trusts, and real estate investment trusts)
 - (b) International Collective Investment Schemes;
 - (c) UCITS; and
 - (d) other similar investment schemes (i.e., SICAVs, SICAFs, Luxemburg FCPs, etc.).

In cases where there is ambiguity as to whether an investment product falls under the definition of any of the categories specified above, an inquiry may be submitted to the Cyprus tax authorities for their opinion.

12.3.7 Deemed dividend distribution rules

In relation to dividend distributions from Cyprus tax resident companies, any profits attributable (through the Fund) to Cyprus tax resident Limited Partners (companies or Cyprus domiciled individuals) are subject to the deemed dividend distribution rules.

In accordance with the provisions of the SDC legislation, Cyprus companies which do not distribute 70% of their profits after tax, as defined by the SDC legislation, within two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as a dividend.

In this respect, SDC will be payable, at the relevant rate prevailing at that point in time (currently at the rate of 17%), on such deemed dividends to the extent that the shareholders at the end of the period of the two years from the end of the year of assessment to which the profits relate, remain Cyprus tax residents (individual shareholders will have to remain Cyprus tax residents and Cyprus domiciled).

12.3.8 Sale of Limited Partner Interests

Interests held in the Fund will satisfy the definition of “securities”. Therefore, profits arising for Cyprus tax resident Limited Partners (both individuals and companies) from the sale of Interests in the Fund will be exempt from any taxation in Cyprus.

12.4 Other

12.4.1 Common Reporting Standard

In the instance where the Fund is considered to be a financial institution, it should be required to be registered with the Cyprus Tax Department for the purposes of the Common Reporting Standard (“CRS”). In this regard, the Fund will be required to disclose the name, address, taxpayer identification number and investment information relating to investors who fall within the definition of Reportable Persons (as such is defined under CRS) that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest to the Cyprus Tax Department, who will in turn exchange this information with the competent authorities of the country in which the investor is considered to be a tax resident (on the assumption that the relevant country has signed the relevant Multilateral Agreement for the adoption of CRS). Prospective applicants are encouraged to consult with their own tax advisors regarding the possible implications of CRS regarding an investment made in the Fund.

12.4.2 FATCA

The Fund may need to register with the Internal Revenue Service of the United States of America for the purposes of the Foreign Account Tax Compliance Act (“FATCA”). In this regard, the Fund may be required to disclose the name, address, taxpayer identification number and investment information relating to investors who fall within the definition of Specified U.S. Persons (as such is defined under FATCA) that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest to the Cyprus tax authorities, who will in turn exchange this information with the Internal Revenue Service of the United States of America. Prospective applicants are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on an investment made in the Fund.

13. **RISK FACTORS AND INVESTMENT CONSIDERATIONS**

Prior to making any investment decision, prospective Investors should consider carefully all of the information set forth in the Memorandum and in the LPA and, in particular, the risks factors and investment considerations below.

Prospective Investors should be aware that an investment in the Fund involves a high degree of risk and should only be undertaken by investors who are capable of evaluating the risks of such an investment and of bearing those risks.

An investment in the Fund requires a long-term commitment with no certainty of return. There can be no assurance that the Investment Objective will be achieved or that an Investor will receive a return of on the drawn portion of its Commitment. The possibility of partial or total loss of Capital Contributions exists and prospective Investors should not proceed with an investment in the Fund unless they can readily bear the consequences of such loss.

The following list is not a complete list of all risks involved in connection with an investment in the Fund. Prospective Investors must rely upon their own examination and evaluation of the Fund and their ability to understand the nature of an investment, including the risks involved in making such a decision to invest in the Fund

independently without reliance on the General Partner or its directors, managers, officers, employees, agents, professional advisors and Associates.

The following considerations should be carefully evaluated by prospective Investors before making an investment in the Fund.

13.1 Investment Objective and Target Return

The Fund will make investments based on the General Manager's estimates or projections of internal rates of return. The Investors have no assurance that actual internal rates of return will equal or exceed the stated targeted return to the Investors.

The Fund, in seeking to achieve the projected Internal Rate of Return, expects to invest in a variety of assets. The General Partner, in its absolute discretion, may invest in an investment whose individual expected return is less than the target return where the General Partner deems it appropriate in light of the existing or future Investments of the Fund to make such investment to ensure a diversification of risk for the Fund as a whole. Accordingly, for the avoidance of doubt, the statement of the Fund's target return does not oblige, and is not a representation, that the General Partner will only make Investments whose individual expected returns are in excess of the target return.

It should be remembered that the NAV of the Fund can go down as well as up. The General Partner or any advisor thereto can give no guarantee as to future performance of, or future return from, the Fund. An Investor may not get back the entire amount he has invested.

13.2 Difficulty of Sourcing and Securing Suitable Investments

The activity of identifying, completing and realising attractive private equity related and other Investments has from time to time been highly competitive, and involves a high degree of uncertainty. The Fund will be competing for investment opportunities with other private equity investment vehicles, as well as individuals, financial institutions (such as mortgage banks, pension funds and investment trusts) and other institutional investors, which may have greater economic and personnel resources than the Fund or better relationships with vendors, lenders and others.

Whilst the General Partner is well placed to deliver the strategy, there is no assurance that the Fund will be able to locate and complete investments that satisfy its target Internal Rate of Return or realise upon their values or that it will be able to fully invest its available capital.

13.3 Lack of Diversity

Investors have no assurance as to the degree of diversification in the Fund's Investments, either by geographic region or asset type. In addition, in transactions where the General Partner intend to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of the Fund having an unintended long term Investment and/or reduced diversification.

13.4 Contingent Liabilities on Disposition of Investments

In connection with the disposal of an Investment, the Fund may be required to make certain representations about the business and financial affairs of such Investment typical of those made in connection with the sale of the Investment. The Fund may also be required to indemnify the purchasers of such Investment against losses to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrows to meet such a contingency or which might ultimately have to be funded by the Investors before or after the termination of the Fund.

13.5 Use of Feeder or Parallel Vehicles

The Fund may use Feeder Vehicles or alternative investment vehicles and cause the Investors to fund a portion of their Commitments through such entities in a manner that provides similar economic terms, management terms, and the liability protection afforded by investments made through the Fund. These vehicles may involve additional costs of formation, structuring and operation. Because of the wide range of the investments proposed by the Fund, alternative investment vehicles could be of a type with which the General Partner have less familiarity, and therefore provide additional informational and operational uncertainty or difficulties to the General Partner in managing and disposing of Investments through such entities.

Investments may be held either as direct property assets or on an indirect basis via Investment Holding Entities. Full due diligence will be undertaken preceding an acquisition, but in the case of special purpose vehicles there can be no guarantee that such Investments will be readily saleable in the future. In addition, while selling a special purpose company may enable tax-free sales to be achieved, the purchaser in such cases will often seek some discount via negotiation on the sale price for the potential tax liability remaining in the company if it were to sell the property in the future.

13.6 Lack of Management Rights

Investors will not be permitted to take part in the management of the business of the Fund or the underlying Fund Assets. Accordingly, Investors will have no opportunity to control the day-to-day operation, including Investment and disposal decisions of the Fund.

Except in certain limited circumstances described in the key terms, the General Partner will have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Fund. Consequently, the Investors will generally not be able to evaluate for themselves the merits of particular Investments prior to the Fund's making such investments. Investors will not be able to make investment decisions on behalf of the Fund nor will they have the opportunity to evaluate or approve specific assets prior to investing.

The management, financing, leasing and disposition policies of the Fund and its policies with respect to certain other activities, including its distributions and operating policies, are determined by the General Partner. To the extent permitted by the Fund legal documentation and subject to the consent of the General Partner, these policies may be

changed from time to time at the discretion of the General Partner without the Consent of the Investors of the Fund, although the General Partner has no present intention to make any such changes. Any such changes could be detrimental to the Investor's interests in the Fund.

13.7 Dilution from Subsequent Closings

Investors subscribing for Interests at Closings Dates subsequent to the First Closing Date will participate in existing Investments of the Fund, thereby diluting the Interests of existing Investors. Although such Investors will generally contribute their pro rata share of drawn down Commitments, there can be no assurance that this payment will reflect the fair value of the Fund's existing Investments at the time such additional Investors subscribe for Interests.

13.8 Consequences of Default

If an Investor fails to fund any of its Commitment when required, such Investor's Interest in the Fund and its investments may be diminished and/or forfeited. To the extent that one or more Investors do not honour their Commitments, the Fund may make capital calls on the remaining Investors based on their Commitments earlier than it otherwise would. Should an Investor default or fail to make a timely payment to the Fund in respect of its Commitment as called, the Fund may lose investment opportunities that would otherwise be available if the Fund had the anticipated proceeds on hand. In addition, the Fund may incur substantial costs and liabilities in connection with failing to meet its contractual obligations, for example, by defaulting on an obligation to acquire a private equity asset, by failing to make payments on any indebtedness of the Fund in connection with the financing of a private equity asset or by failing to pay certain costs and expenses of the Fund in connection with the conduct of its business. In addition to general liability for the non-defaulting party's damages and potential forfeitures of Fund Assets, the Fund may be exposed to substantial legal expenses in connection with such default. The receipt of significantly less capital than anticipated may also affect the ability of the Fund to meet its diversification objectives or cause the Fund to default under Commitments to purchase Investments.

13.9 Hedging Policy

In connection with the financing of certain Investments, the Fund may employ hedging techniques designed to protect the Fund against adverse movements in currency and/or interest rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. While the Fund may benefit from the use of these hedging mechanisms, unanticipated changes in currency exchange or interest rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.

13.10 Investments with Third Parties

The Fund may co-invest with third parties through partnerships, joint ventures or other entities. In such circumstances, the Fund may have a non-controlling interest in certain Investments. The risks inherent in connection with third party involvement in an Investment include the possibility that a third party partner or investor may not be financially able to continue an Investment or default on an Investment resulting in a

negative impact on the Investment may have economic or business interests or goals which are inconsistent with those of the Fund or may be in a position to take action contrary to the Fund's investment strategy.

In addition, the Fund may in certain circumstances be liable for the actions of its third party partners or co-venturers. Investments made with third parties in joint ventures or other entities may involve carried interests and/or other fees payable to such third-party partners or co-investors.

13.11 General Taxation Risk

The attention of Investors is drawn to the taxation section associated with investing in the Fund. The tax rules, including stamp duty, stamp duty land tax, VAT and withholding tax provisions and their interpretation relating to an Investment in the Fund, or the Fund's Investments, may change during the life of the Fund, which may have an adverse effect on the Fund or its investments.

Prospective Investors should seek their own advice on the taxation consequences of an Investment in the Fund. The General Partner or its directors, managers, officers, employees, professional advisers or their Associates do not take any responsibility for any advice with respect to any prospective Investor's own tax position.

13.12 Tax Liability

Investors may have additional tax liabilities in their country of citizenship or residence or may be entitled to additional tax relief in that country. This could have the effect of increasing or decreasing the post-tax return on their Investment in the Fund. Under applicable tax laws, Investors may be required to take into account their allocable share of the Fund's items of income, gain, loss, deduction and credit, without regard to whether they have received or will receive any distributions from the Fund. There can be no assurance that the Fund will have sufficient cash flow to permit it to make distributions in the amount necessary to pay all tax liabilities resulting from an Investor's ownership of Interests in the Fund. Accordingly, an Investor's tax liability for any taxable year associated with an Investment in the Fund may exceed (and perhaps to a substantial extent) the cash distribution to that Investor during the taxable year. If the Fund was deemed to be carrying on a trade then profits of trading transactions would be taxed as income rather than Capital Gain. Consequently certain Investors in the Fund who are exempt from tax on gains would be subject to tax on their trading receipts from the Fund and would lose the benefit of any tax exemption from tax on Capital Gains in respect of those transactions.

13.13 Taxation in Other Jurisdictions

The Fund may be subject to income or other tax in the jurisdictions in which Investments are made and withholding tax or branch tax may be imposed on earnings of the Fund from Investments in such jurisdictions. In addition, tax incurred in foreign jurisdictions by the Fund or vehicles through which it invests may not be creditable to or deductible by the Investors in their respective jurisdictions.

13.14 Changes in Tax Law

Changes in applicable law or interpretations of such law may adversely affect the Fund's ability to efficiently realise income or capital gains. To the extent possible, the Fund will structure its investments and activities to minimise its tax liability; however, there can be no assurance that the Fund will be able to eliminate its tax liability or reduce it to a specified level.

13.15 Impact of Governmental Regulation and Legislative Changes

Governmental authorities at all levels (including on a national and EU basis) are actively involved in the promulgation and enforcement of regulations relating to taxation, land use, zoning, planning restrictions, environmental protection and safety and other matters. The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Fund's Assets.

Any legislation and its interpretation, and the legal and regulatory regimes which apply in relation to the Fund and/or an investment in the Fund may change during the life of the Fund. Accounting practice may also change, which may affect, in particular, the manner in which the Fund's Investments are valued and/or the way in which income or capital gains are recognised and/or allocated by the Fund.

There is also uncertainty about the future costs of energy and other resource costs, security of energy and resource supplies, and the rate and scope of increased governmental regulations and market response which may have the effect of smoothing or amplifying energy and resource price changes or responding to problems with availability or market liquidity.

13.16 Valuation Risk

Private equity and holding companies are inherently difficult to value. Valuations are, to a degree, based upon the subjective approach of the valuer involved. As a result, valuations are subject to substantial uncertainty. There can be no certainty regarding the future performance of these assets. There is no assurance that the estimates resulting from the valuation process will reflect the actual sale price even where such sales occur shortly after the Valuation Date. The value of private equity and the value of an Investor's Interest in the Fund can go down as well as up. A valuation is not a guarantee of a realisable price.

13.17 Indemnification

The General Partner generally will not be held liable with respect to its actions or inactions unless they constitute fraud, wilful misconduct, gross negligence or reckless disregard of duties.

The Fund will be required to indemnify the General Partner, and its members, employees, officers, directors, managers, agents, partners and other Associates, and any other person who serves at the request of the General Partner, on behalf of the Fund as an officer, director, manager, partner, employee or agent of any other entity, for liabilities incurred in connection with the affairs of the Fund. The indemnification

obligation of the Fund would be payable from the assets of the Fund, including Commitments.

13.18 Forward-looking Statements

The Memorandum contains forward-looking statements. These forward-looking statements reflect the General Partner's or others' views with respect to future events. Actual events could differ materially from those in the forward-looking statements. Investors are cautioned not to place undue reliance on such statements.

13.19 Confidential Information

Associates of the General Partner may receive certain confidential client information in the normal course of their business. Such confidential information would not ordinarily be available to the General Partner in connection with the Fund's business. However, the possession of such information by such Associates may preclude the Fund from engaging in certain transactions or impose restrictions on certain transactions.

13.20 Disclosure of Identity

The General Partner may be required by law, regulation or government authority to disclose information in respect of the identity of the investors, including beneficial investors in an Investor.

13.21 Money Laundering

The General Partner may be required by law, regulation or government authority to suspect the account of an Investor or take other anti-money laundering steps.

13.22 Reliance on General Partner

The success of the Fund depends significantly on the efforts and abilities of the General Partner to evaluate investment opportunities. Although the General Partner will devote all efforts as reasonably required to implement the objectives of the Fund, there can be no guaranties that suitable investments will be successful.

13.23 Removal of General Partner by Limited Partners

The Fund being incorporated under the form of a limited partnership, there is a risk that the participation of Limited Partners into the management of the Fund could lead for those Limited Partners to being exposed to an unlimited liability. It is unclear at present whether the removal of the General Partner without cause would be regarded by a Cyprus Court as an interference with the management of the Fund.

13.24 Nominee Risk

Any Investor shall fully exercise his investor's rights directly against the Fund only in the case where the Investor appears himself and on his behalf in the register of the Partners of the Fund. In the case where an Investor invests in the Fund through an intermediary (i.e. nominee) investing in the Fund on his name but on behalf of the Investor, certain rights attached to the quality of partner shall only be exercised through this intermediary.

13.25 Investors' Rights

The General Partner draws the Investors' attention to the fact that any Investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in Investor's Meetings, if the Investor is registered himself and in his own name in the register of the Partners of the Fund. In cases where an Investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Investor's rights directly against the Fund. Investors are advised to take advice on their rights.

13.26 Foreign Investments

The Fund will focus in Central and Eastern Europe countries. Any investment in a foreign country involves the risk of adverse political developments, including nationalization, confiscation without fair compensation, acts of terrorism or war. Furthermore, foreign jurisdictions may impose restrictions to prevent capital flight, which could make it difficult or impossible to exchange or repatriate foreign currency. In addition, laws and regulations of foreign countries may impose restrictions or approvals which would not exist in the investor's country of origin and may require financing and structuring alternatives which differ significantly from those customarily used in the investor's country of origin. The General Partner will analyse risks in the respective Target Markets before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Fund. It is likely that the risks referred to in this section are more prevalent in the Target Market than in most developed Western Markets.

13.27 Currency Risk

The reference currency of the Fund may be different than the currency of the investments. Fluctuations in exchange rates between the reference currency and the relevant local currencies may directly or indirectly affect the value of the Fund's portfolios and the ultimate rate of return realized by the investors.

13.28 Future Investments Unspecified

Investors will be relying on the General Partner's ability to identify and acquire suitable investments. Such investments may be made over a substantial period of time and the Fund may face the risk of interest rate fluctuations and adverse changes in the real estate markets.

13.29 Potential Conflicts of Interest

The Fund may have or will have access to the managerial skills, experience and relationships of the General Partner and the Property Manager. The General Partner believes that the Fund will benefit from this access. However, there may be potential conflicts inherent in the proposed structure of the Fund and its manager when managing similar investments.

13.30 Liquidity Risk

The Fund may have a risk that a particular investment may be difficult to purchase or sell and that the Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market, reduced number and capacity of traditional market participants to make a market for such assets.

13.31 Interest Rate Risk

Unexpected fluctuations in interest rates could materially adversely affect the performance of the assets of the Fund.

13.32 Use of Leverage

Use of leverage exposes the Fund to the potential of multiple gains, but so too leverage can drastically multiply losses.

13.33 Negligence of Third Parties

The operation and management of real estate properties requires the involvement, but not limited to, of real estate agents and brokers, which may cause the Partnership to sustain an economic loss as a result of their acts, negligence or omissions for which the Partnership has no control over.

13.34 Suitability of Investment

Potential investors should consider carefully whether an investment in the Fund is suitable in view of their personal circumstances and financial resources. Potential investors are not to construe the contents of the Memorandum as tax, business or legal advice. A prospective investor should consult with its own legal, business and tax advisers to determine the appropriateness and consequences of an investment in the Fund.

13.35 Dividends

Prospective investors should note that payment of any future dividends is not guaranteed and will be at the discretion of the General Partner after taking into account various factors including the Fund's operating results, financial condition and current and anticipated cash needs.

13.36 Market Risk

Market Risk includes specific private equity investment risk (macro/micro economic risk), interest rate, stock market and foreign exchange risk, especially in relation to the AIF and its impact on the underlying invested assets

13.37 Risk of Credit Rating downgrades

Rating Institutions frequently evaluate bond issuers and assign ratings based on the company's or state's ability to repay its debt. These ratings have a material effect on bond values and as any potential upgrade can positively affect the price of a bond, so a downgrade can negatively affect its price.

13.38 Bond Liquidity Risk

While there is almost always a ready market for government bonds, corporate bonds are sometimes entirely different animals. There is a risk that an investor might not be able to sell the corporate bonds quickly due to thin market with few buyers and sellers for the bond.

13.39 Inflation Risk

When buying a bond, an investor is essentially committed to a certain fixed or variable rate for the period he or she holds the bond. Unless, the bond interest is inflation adjusted, the investor will be exposed to eroding purchase power and potentially inflationary adjusted negative rates of return.

13.40 Changing *Fixed Income Market Conditions Risk*

The current historically low interest rate environment was created in part by the Federal Reserve Board (FRB), the European Central Bank (ECB) and certain foreign central banks keeping the federal funds and equivalent foreign rates at or near zero. There is a risk that interest rates will rise when the FRB, the ECB and other central banks raise these rates. This risk is heightened due to the potential “tapering” of the FRB’s quantitative easing program and other similar foreign central bank actions. This tapering and eventual increase in the federal funds and equivalent foreign rates may expose fixed income markets to heightened volatility and reduced liquidity for certain fixed income investments, particularly those with longer maturities. In addition, decreases in fixed income dealer market-making capacity may also potentially lead to heightened volatility and reduced liquidity in the fixed income markets. As a result, the value of the Fund’s investments and share price may decline. Changes in central bank policies could also result in higher than normal shareholder redemptions, which could potentially increase portfolio turnover and the Fund’s transaction costs.

13.41 Management Risk

The investment techniques and risk analysis used by the Fund’s portfolio managers may not produce the desired results. Because the Fund’s investment process relies heavily on its asset allocation process, market movements that are counter to the portfolio managers’ expectations may have a significant adverse effect on the Fund’s net asset value.

13.42 Reverse Repurchase Agreement Risk

Reverse repurchase agreement transactions may constitute a borrowing and are a form of leverage and involve the risk that the market value of securities to be repurchased may decline below the repurchase price, or that the other party may default on its obligation, resulting in the Fund being delayed or prevented from completing the transaction. Leverage may make the Fund’s returns more volatile and increase the risk of loss. Because the Fund’s reverse repurchase transactions are expected to involve securities with a history of high volatility, such as collateralized loan obligations, mortgage backed securities, asset backed securities and high yield bonds, the Fund will be subject to heightened risk that the value of these securities will decline below the price that the Fund must pay to repurchase the securities, which would result in a loss

to the Fund. The Fund will earmark or segregate liquid assets in an amount at least equal to the repurchase price for the duration of the reverse repurchase agreement. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund may be restricted or stayed from its ability to exercise its set-off rights.

13.43 Regulatory risk

The Fund and its AIFM are subject to laws and regulations enacted by European, and national governments. In particular, upon authorization, the Fund and its AIFM will be required to comply with certain European legal requirements. In addition, the Fund and its AIFM are subject to regulation in Cyprus. Additional laws may apply to the portfolio companies in which we make investments. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on the Fund's business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, by any of the persons referred to above could have a material adverse effect on the Fund's business, investments and results of operations.

13.44 Investments in private companies

Investments in private companies involve a number of significant risks, including the following:

- i. These companies may be highly leveraged and subject to significant debt service obligations, stringent operating and financial covenants and risks of default under financing and other contractual arrangements, which would trigger severe adverse consequences for the company and the value of the Fund's investment in such company if a default were to occur;
- ii. They typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- iii. They are more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of those persons could have a material adverse impact on their business and prospects and the investment made;
- iv. They generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position;

- v. Executive officers, directors and employees of an equity sponsor may be named as defendants in litigation involving a company in which any of our investments are made; and
- vi. Generally, only little public information exists about these companies and investors in those companies generally must rely on the ability of the equity sponsor to obtain adequate information for the purposes of evaluating potential returns and making a fully informed investment decision.

14. **CONFLICTS OF INTERESTS**

The General Partner of the Fund, the Depositary of the Fund and the Administrator may from time to time act as External Manager of the Fund, Depositary of the Fund, Registrar, Broker, Administrator, or Dealer in relation to, or be otherwise involved in, other funds established by parties other than the Partnership which have similar objectives to those of the Partnership. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Partnership. Each will, at all times, have regard in such event to its obligations to the Partnership and will endeavor to ensure that such conflicts are resolved fairly.

In addition, any of the foregoing may deal, as principal or agent, with the Partnership, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. The General Partner of the Fund, or any of its affiliates or any person connected with it, may invest in, directly or indirectly, or manage or advise other investment funds or accounts, which invest in assets which may also be purchased or sold by the Partnership. Neither the General Partner of the Fund, nor any of its affiliates, nor any person connected with it, is under any obligation to offer investment opportunities of which any of them becomes aware to the Partnership or to account to the Partnership in respect of any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Partnership and other clients. In determining the Net Asset Value, the General Partner may rely on valuations provided or attributed to any asset or liability by the General Partner of the Fund. As the General Partner of the Fund and the Performance Fee are not determined by reference to the Net Asset Value, the General Partner of the Fund does not have a conflict of interest in providing valuations.

Such conflicts of interest may not be a complete list of all the potential conflicts of interest associated with an Investment in the Partnership, or the underlying investments of the Partnership. Therefore, prospective investors should read this Memorandum in its entirety.

The Board will endeavour to ensure that should a conflict of interest arise it will be resolved timely and fairly.

The Fund shall not purchase from or sell to any member of the Investment Committee or officer of the Directors, the General Partner and their affiliates, any Investment other than for Fair Value as determined by an independent General Partner. An Investment Committee member shall be excluded from any decision regarding any transaction between the Fund and that member.

By acquiring an interest in the Fund, each Limited Partner will be deemed to have acknowledged the existence of such potential conflicts of interests and to have waived any claim with respect to any liability arising from the existence of any such conflict should this conflict be disclosed to the investors prior to the investment being concluded.

15. **DATA PROTECTION**

Certain personal data of Investors (including, but not limited to, holding in the Fund) may be collected, recorded, stored, adapted processed and used by the Fund, the General Partner, the Depositary and the financial intermediaries of the Investors. In particular, such data may be processed for the purposes of account and anti-money laundering identification, and to provide client-related services.

By entering into a Subscription Agreement, each Investor consents to such processing of its personal data. This consent is formalised in writing in the Subscription Agreement.

16. **AMENDMENT OF FUND DOCUMENTS**

The Partnership's Documents may be amended from time to time by the General Partner, subject to the Regulator's prior approval of the contemplated changes. In addition, any material changes to the Memorandum (i.e. changes to the Investment Objective, Policy and Restrictions, drawdown mechanisms, Commitment and Commitment Period) will be subject to the prior approval of the Investors in accordance with the LPA.

No amendments may be made which would adversely affect the rights or interests of a particular Limited Partner or group of Limited Partners, without the consent of the relevant Limited Partner(s).

The LPA may only be amended in whole or in part by the written consent of the General Partner and the Investors Special Consent and subject to the prior approval of the Regulator Meeting in accordance with the provisions of the LPA and the AIF Law.

Unitholders have the right to ask for the withdrawal their Interest in accordance with the provisions of the LPA, as these applied prior to their amendment, within three months from the notification of the amendment to them.

17. **CONFIDENTIALITY**

Investors will be bound by confidentiality obligations governing information provided to them with respect to their participation in the Fund. Such confidentiality obligations do not restrict the right of the Investors to share such information with their Associates, employees, directors, managers, officers and advisors provided that the latter are bound by similar confidentiality obligations.

18. **APPLICABLE LAW**

The English version of the Memorandum is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

The Memorandum is based on the laws and practice in force at the date of the Memorandum in the Republic of Cyprus and are subject to changes in those laws and practice.

The recognition and enforcement of any judgments against the General Partner or the depositary delivered by a Cyprus court does not require further legal instruments, since the respective registered office of the General Partner and the depositary is located in Cyprus. Should a non-Cyprus court deliver a judgment against the General Partner or the depositary on the basis of local applicable law, the Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, the Lugano Convention of 30 October 2007 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters or Cyprus private international law, as the case may be, is applicable..

SCHEDULE A

APPLICATION FORM

This application should be completed and sent to:

ABACUS LIMITED

CEE LONG HOLD EQUITY FUND LP

Elenion Building, 2nd Floor

5 Themistocles Dervis Street

CY-1066 Nicosia

Cyprus

Telephone: +357 22 555 800

Facsimile: +357 22 555 848

Email: www.abacus.com.cy

Applications should be made only by written application. Application forms duly completed should be sent to the address shown above by facsimile or electronic mail and original to follow by registered post. The Partnership reserves the right to reject any application in which event the application monies will be returned to the applicant without interest at his own risk.

1. Amount of Commitment EUR _____ (Net of Bank Charges)

2. Investor's Details:

Title (Mr / Mrs / Ms / Miss)

Surname / Family Name

Previous Name(s) if any

First Name	
If not an individual(s), please state name of entity	
Investor's Residential Address / Entity Registered Address	
Nationality / Nationalities	
Passport No.	
Date of Birth	
If an entity, please state domicile	
Telephone No.	
Fax No.	
E-mail address (if any)	

3. Major source of the Investor's wealth:

Gift / Inheritance	<input type="checkbox"/>	Lifetime Earnings / Salary	<input type="checkbox"/>	Other	<input type="checkbox"/>
Investment Profits	<input type="checkbox"/>	Sale of Business / Real Estate	<input type="checkbox"/>		

If Other, please specify source of funds:

4. If an individual, please provide the following details as appropriate:

☐ **Employed**

Employer

Industry

Job / Position

☐ **Self-Employed**

Name of Company

Industry

Address

☐ **Retired**

☐ **Other**

Remarks:

5. Bank Details:

The Limited Partner will arrange payment of the Capital Contribution monies which are the subject of any Drawdown Notice (including the first Drawdown Notice) from the following account:

Name of Bank

Address

IBAN

SWIFT Address / Bank Code

Account Number

Account Name

--

NB: As a rule, any distributions will normally be made to the above account.

However, payment may be made to an alternative account, if such account is in the name of the registered Limited Partner.

6. Identification of US Persons

For Individuals:

Are you a US citizen or resident?	Yes / No
Is your place of birth in the US?	Yes / No
Do you have a current US mailing or residence address (including a US post office box)?	Yes / No
Do you have a current US telephone number?	Yes / No
Do you have standing instructions to transfer funds to an account maintained in the United States?	Yes / No
Do you have currently effective power of attorney or signatory authority granted to a person with a US address?	Yes / No

For Corporate applicants:

Do you have a current US mailing or residence address (including a US post office box)?	Yes / No
Do you have a current US telephone number?	Yes / No
Do you have standing instructions to transfer funds to an account maintained in the United States?	Yes / No

7. I / We confirm that:

- a) The above information is true and correct.
- b) I/We qualify to invest in and be a Limited Partner in the Partnership being either a Professional Investor or a Well-Informed Investor within the meaning of section 2

of the Alternative Investment Funds Law. I/We attach the duly completed and signed (i) Investor Eligibility Declaration set out in Schedule A1.

- c) The funds have not been obtained by any illegal activity.
- d) **CEE LONG HOLD EQUITY FUND LP** (or any duly authorised affiliate), may contact my / our bankers and / or others in order to fulfil the various legal requirements.
- e) I am / We are expected to seek advice from his / their own taxation adviser and to make the appropriate taxation declarations.
- f) I / We attach the information required by me / us in accordance with the requirements set out in Schedule B.

I / We understand that **CEE LONG HOLD EQUITY FUND LP**, will not accept any Commitment monies for Investment unless or until satisfied with the results of its verification procedures.

Dated at _____ in _____, this _____ day of _____,
20__

Signed, Sealed and Delivered as a _____ Name of Limited Partner(s) (please print):

Deed in the presence of:

Witness:

(Signature of or on behalf of Limited Partner) (Signature of or on behalf of Limited Partner)

Office, Title or other authorization

(If Limited Partner is not an individual)

Office, Title or other Authorization

(If Limited Partner is not an individual)

Investor Eligibility Declaration

I/We, [name of applicant] seeking admission as a Limited Partner in [partnership name], hereby certify that I/we:

- (a) Am/are a Professional Investor within the meaning set out in Second Appendix of the Cyprus Investment Services and Activities and Regulated Markets Law of 2017 (as amended from time to time), or
- (b) Adhere to the status of a Well-Informed Investor within the meaning of the Alternative Investment Funds Law 131(I) / 2014 of the Republic of Cyprus and that I/we have made a commitment to the Partnership which amount exceeds EUR 125,000 (or currency equivalent),

(Signature of or on behalf of Limited Partner)

(Name of Limited Partner)

(Name of person signing on behalf of the Limited Partner)

SCHEDULE B

ANTI-MONEY LAUNDERING REQUIREMENTS

I / We being **Individual** applicant(s) enclose the following **certified*** documents:

Copy of valid passport or ID Card

☐

Recent* Utility bill, bank statement, driving license
or other proof of permanent residential address

☐

(*Issued within the last three months)

Bank Reference Letter

☐

Professional Background

☐

(signed by the individual)

We, being **Corporate** applicants we enclose the following **certified*** documents:

Certificate of Incorporation

☐

Certificate of Registered Office

☐

Memorandum and Articles of Association

☐

(and all amendments) or equivalent

Certificates of directors, shareholders

☐

(or other acceptable list of directors and shareholders)

Resolution authorizing the relevant subscriptions

☐

(which includes the names of the authorised signatories)

Identification as described above for individuals

who are beneficial owners of corporate shareholders

☐

holding 10% or more of the share capital.

Incumbency Certificate

☐

***certified** documents: *means notarised by a notary public as a true copy of the original or any other form of certification as may be acceptable by the General Partner.*