

# PROSPECTUS

This document constitutes a prospectus for the purposes of Article 3 of Directive 2003/71/EC and has been prepared in accordance with Chapter 5.1 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder. This document has been approved by and filed with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and will be passported into the United Kingdom for the purpose of admission of the ZDP Shares to trading on the Specialist Fund Market ("SFM") of the London Stock Exchange plc ("LSE"). This document also includes particulars given in compliance with the listing rules of the Channel Islands Stock Exchange (the "CISX"), in respect of the admission of the ZDP Shares to listing and trading on the CISX, for the purpose of giving information with regard to the Company.

NB Private Equity Partners Limited (the "Company") accepts responsibility for the information contained in this document. To the best of the knowledge of the Company, having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. In addition, the Directors, whose names appear on page 35 of this document, accept full responsibility for the information contained herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The attention of existing and potential investors is drawn to the section headed "Risk Factors" on pages 11 to 29 of this document. The definitions used in the document are set out on pages 102 to 107.

Application has been made to the LSE for up to 50,000,000 ZDP Shares to be admitted to trading on the SFM under the symbol NBPZ and application has been made to the CISX for up to 50,000,000 ZDP Shares to be admitted to trading and listing on the CISX under the symbol NBPZ (together the "Admission"). It is expected that trading in the ZDP Shares on the SFM and the CISX will commence on or about 1 December 2009.

The distribution of this document may be restricted by law. No action has been or will be taken by the Company to permit the possession or distribution of this document in any jurisdiction where action for that purpose may be required. Accordingly, neither this document nor any advertisement or any other material relating to it may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company. Any delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company or its subsidiaries since, or that the information contained herein is correct at any time subsequent to, the date of this document.

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## NB PRIVATE EQUITY PARTNERS LIMITED

*(a closed-end limited liability investment company incorporated under the laws of Guernsey with registered number 47214 and registered with the Netherlands Authority for the Financial Markets)*

### Placing and Offer for Subscription of up to 50 million Zero Dividend Preference Shares at an Issue Price of 100 pence Sterling per share

*Investment Manager*

#### NB Alternatives Advisers LLC

*Financial Adviser, Placing Agent and Broker*

#### Oriel Securities Limited

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The ZDP Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or with any securities regulatory authority of any state or other jurisdiction in the United States nor is such registration contemplated. The ZDP Shares are being offered only outside the United States to purchasers that are not US persons (as defined in Regulation S under the US Securities Act, "US Persons") in reliance on the exemption from registration provided by Regulation S under the US Securities Act. The ZDP Shares may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, US persons. In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "US Investment Company Act") and investors will not be entitled to the benefit of that Act. No offer or sale of ZDP Shares may be made except under circumstances which will not result in the Company being required to register under the US Investment Company Act. The ZDP Shares may only be resold or transferred in accordance with the restrictions set out under paragraph 5.7 on pages 84 to 86 of this document. This document may not be distributed, forwarded, transferred or otherwise transmitted to any persons within the United States or to any US Persons.

This document does not constitute, and may not be used for purposes of, an offer or an invitation to subscribe for ZDP Shares by (A) any US Person; or (B) any person in the United States or in any jurisdiction (i) in which such offer or invitation is not authorised, or (ii) in which the person making such offer or invitation is not qualified to do so, or (iii) to any person to whom it is unlawful to make such offer or invitation.

The contents of this document are not to be construed as legal, financial, business or tax advice. Each investor should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

Oriel Securities Limited, which is authorised and regulated by the FSA, is acting for the Company and for no one else in connection with the ZDP Placing and Offer for Subscription and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Oriel Securities Limited or for affording advice in relation to the contents of this document or on any matters referred to in this document.

The Company is subject to the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*), and is registered with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM") as a collective investment scheme which may offer participations in the Netherlands pursuant to article 2:66 of the Netherlands Financial Supervision Act. Under the Netherlands Financial Supervision Act, the Company and the Investment Manager are exempted from the requirement to obtain a licence from the AFM to offer participations in the Netherlands for so long as Guernsey is deemed to have "adequate supervision" of closed-end funds. By Ministerial Decree, Guernsey was accredited by the Dutch Ministry of Finance (*Ministerie van Financiën*) to have such adequate supervision. Irrespective of the exception set forth above, the Company remains subject to certain ongoing requirements under the Netherlands Financial Supervision Act and the rules promulgated thereunder, such as the Decree on Supervision of Conduct by Financial Enterprises (*Besluit Gedragstoezicht financiële ondernemingen Wft*) and the Decree on the Implementation Directive Transparency Issuing Entities (*Besluit uitvoeringsrichtlijn transparantie uitgevende instellingen Wft*) relating to the disclosure of certain information to investors, including the publication of the Company's financial statements.

The Company has been recognised by the United Kingdom HM Revenue and Customs under section 841 of the Income and Corporation Taxes Act 1988. The FSA has approved the CISX as a Designated Investment Exchange within the meaning of the Financial Services and Markets Act 2000.

The Company is an authorised closed-end investment scheme authorised under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Neither the States of Guernsey Policy Council nor the Guernsey Financial Services Commission take any responsibility for the soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

Investment in the ZDP Shares is intended for institutional, professional and highly knowledgeable investors only who are familiar with the SFM and CISX and the type of securities admitted to trading thereon. The ZDP Placing and Offer for Subscription is not targeted at non-professional or non-institutional investors.

All investments are subject to risk. Past performance is no guarantee of future returns. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. The value of investments may fluctuate.

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## SUMMARY

**The ZDP Shares are only suitable for investors who understand the potential risk of capital loss, for whom an investment in the ZDP Shares constitutes part of a diversified investment portfolio and who fully understand and are willing to assume the risks involved in investing in the Company.**

**This summary should be read as an introduction to the Prospectus and any decision to invest in the ZDP Shares should be based on consideration of the Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, a plaintiff investor may, under the national legislation of an EEA state, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches to the Company which is responsible for this summary, including any translation of this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.**

### **The Company**

NB Private Equity Partners Limited is a closed-end limited liability investment company registered and incorporated under the laws of Guernsey on 22 June 2007, with registration number 47214 and is registered with the AFM. The Class A Shares of the Company are currently admitted to trading on Euronext Amsterdam and the SFM. As at 30 September 2009 (the latest practicable date prior to the publication of this document), the Company had an unaudited NAV of US\$449.0 million.

The Company's investment objective is to produce attractive returns on its capital from its private equity investments while managing investment risk through portfolio diversification across asset class, vintage year, geography, industry and leading private equity fund manager.

The Company is managed by NB Alternatives Advisers LLC (the "**Investment Manager**"), an indirect wholly owned subsidiary of Neuberger Berman Group LLC ("**NBG**").

The Class A Shares have been admitted to trading on Euronext Amsterdam since 18 July 2007 and the SFM since 30 June 2009.

The Company is seeking to issue up to 50,000,000 ZDP Shares which will be admitted to trading on the SFM and the CISX. Application has been made to the LSE and the CISX for the ZDP Shares to be admitted to trading on the SFM and the CISX, respectively.

### **Business Overview**

#### ***Investment Process***

To achieve its investment objective, the Company invests in private equity funds managed by, and makes direct (via the Investment Partnership or its subsidiaries) private equity investments ("**co-investments**") alongside, leading private equity fund managers. In addition, the Company may invest a portion of its Investment Portfolio in opportunistic investments.

The Investment Manager makes all of the Company's investment decisions and controls the day-to-day management and operations of the Company's business. The Investment Manager, including its predecessors, has over twenty years of investing experience specialising in private equity funds, co-investments and secondary investments and has built relationships with leading private equity fund managers over that time. The Investment Manager currently maintains offices in New York, Dallas, London and Hong Kong.

The Investment Manager's investment decisions are made by its Fund of Funds Investment Committee (the "**Investment Committee**"), which currently consists of nine members with an aggregate of more than 175 years of combined private equity experience. The Investment Committee is composed of individuals with diverse backgrounds ranging from portfolio and fund of funds management to leadership as general partners of buyout and venture capital funds, and as chief executive officers of private equity-backed portfolio companies. The Company believes the insights of such a diverse group add substantial value to the Investment Manager's diligence process.

The sourcing and evaluation of the Company’s investments are conducted by the Investment Manager’s team of approximately 50 investment professionals who specialise in private equity fund investments and co-investments. In addition, the Investment Manager’s administrative and finance staff of approximately 125 professionals is responsible for the Company’s administrative, financial management and reporting needs.

**Investment Portfolio**

As at 30 September 2009, the Investment Portfolio consisted of 39 private equity fund investments, including five funds of funds managed by the Investment Manager, and 17 direct co-investments with an aggregate unaudited estimated fair value of US\$491.2 million. The Investment Portfolio has exposure to over 2,300 underlying portfolio companies and is broadly diversified across asset class, vintage year, geography, industry and leading private equity fund manager.

The Company believes that construction of a diversified Investment Portfolio with proper allocation weights has an important influence on the achievement of higher risk-adjusted returns. Diversification across private equity asset class, vintage year, geography, industry and fund manager plays a large role in the Company’s strategy by seeking to reduce the risk of the Investment Portfolio while enhancing the ability to profit from these opportunities.

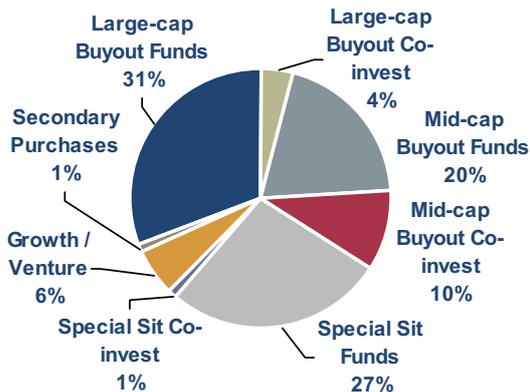
In constructing the Investment Portfolio, the Investment Manager embraced strategic points of view with regard to certain asset classes and sectors within private equity. An important aspect of the Investment Manager’s strategy since the Initial Global Offering was to increase the Company’s allocation to special situations investments (primarily distressed debt, turnaround and restructuring strategies). In light of the recent economic environment, the Investment Manager believes that special situations investments are well-positioned to capitalise on distressed investment opportunities and generate attractive risk-adjusted returns over the long term. From the closing of the Initial Global Offering through July 2008 (the date of the last primary commitment), the Company committed approximately US\$101.2 million to new special situations investments. As at 30 September 2009, the Company’s allocation to special situations funds and co-investments had increased to approximately 28 per cent. of the Investment Portfolio based on unaudited estimated fair value.

The Company reached full investment in the fourth quarter of 2008. With the investment level of the Company currently over 100 per cent. of capital committed, the Company believes that, in conjunction with the effective operation of the Credit Facility (see below for further details), the existing private equity Investment Portfolio is well-positioned to generate attractive returns over the long-term.

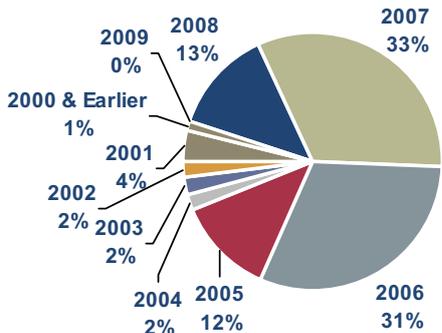
As at 30 September 2009, the Company held unfunded private equity commitments of approximately US\$158.2 million. Such commitments may be satisfied from either cash on hand or drawings made under the Credit Facility.

The pie charts below illustrate the breakdown of the Company’s private equity Investment Portfolio based on unaudited estimated fair value as at 30 September 2009 (the latest practicable date prior to the publication of this document).

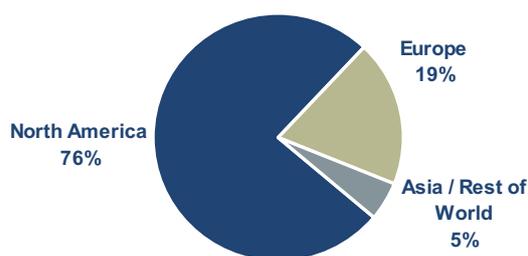
**Asset Class and Investment Type**



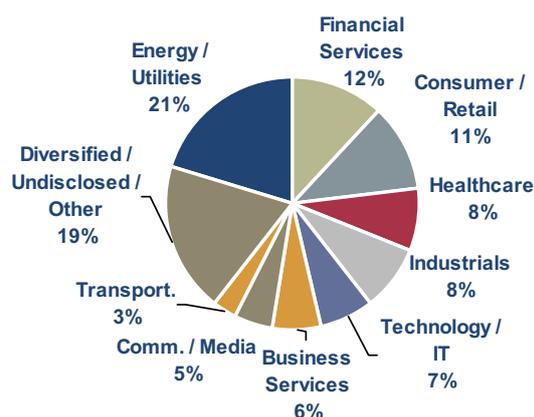
**Vintage Year of Fund or Co-investment**



## Geography



## Industry



### *The Company's Performance Track Record*

After the Initial Global Offering in July 2007, the Company's NAV per Class A Share increased by approximately 8.5 per cent. from US\$10.00 at the time of the Initial Global Offering to US\$10.85 at 30 June 2008. However, the economic downturn and the financial crisis of late 2008 and early 2009 had a negative impact on the value of the Company's Investment Portfolio. As a result, the Company's NAV per Class A Share decreased from US\$10.85 at 30 June 2008 to US\$7.79 at 31 March 2009. Since the first quarter of 2009, the Company's NAV per Class A Share increased by approximately 13 per cent. to US\$8.79 per Class A Share at 30 September 2009. During the six month period from 31 March 2009 to 30 September 2009, the Company's Investment Portfolio increased in value principally due to the Company's allocation to special situations investments. The Company's special situations investments appreciated in value by approximately 35 per cent. from 31 March 2009 to 30 September 2009.

Despite the decline in NAV during the second half of 2008 and the first quarter of 2009, the Company's NAV performance since the Initial Global Offering compares favourably to its peer group in the listed private equity fund of funds sector. The table below sets out the NAV per Class A Share total return performance of the Company compared to the average NAV per share total return performance of the Listed Private Equity Fund of Funds Peer Group.\* On a relative basis, the Company has significantly outperformed the Listed Private Equity Fund of Funds Peer Group\* over the period since the Initial Global Offering, over the twelve months to 30 September 2009 and over the nine month period ended 30 September 2009.

| <i>NAV per Share Total Return Comparison</i>               | <i>Incorporation to<br/>30 September 2009</i> | <i>30 September 2008<br/>to<br/>30 September 2009</i> | <i>Nine Months Ended<br/>30 September 2009</i> |
|--|---|---|--|
| NB Private Equity Partners Limited                         | (12.1%)                                       | (12.2%)   | 7.2%   |
| Average of Listed Private Equity Fund of Funds Peer Group* | (17.9%)                                       | (24.5%)   | (12.4%)  |
| <b>Relative Outperformance of the Company (+/-)</b>        | <b>+5.8%</b>                                  | <b>+12.3%</b>   | <b>+19.6%</b>                                  |

\* The Listed Private Equity Fund of Funds Peer Group comprises Castle Private Equity AG, Conversus Capital, L.P., F&C Private Equity Trust plc, Graphite Enterprise Trust plc, HarbourVest Global Private Equity Limited, J.P. Morgan Private Equity Limited, Pantheon International Participations plc, Princess Private Equity Holding Limited and Standard Life European Private Equity Trust plc. The NAV per share total return performance of each member of the Listed Private Equity Fund of Funds Peer Group is based on the reporting currency of each member and incorporates the most recently reported NAV per share as of each respective date, including any dividends or cash distributions paid during each respective period. Please refer to the financial information set out under Part IV of this document for further information on the Company's performance track record.

### ***Investment Portfolio Activity***

At the time of the Initial Global Offering, the Company was approximately 47 per cent. invested in private equity assets. After the Initial Global Offering, the Company's investment level increased as new commitments were completed and capital calls and direct co-investments were funded. By the fourth quarter of 2008, the Company reached full investment, and as of 30 September 2009, the Company's Investment Portfolio represented 109 per cent. of NAV.

The tables below summarises the Company's investment activity since inception.

| <i>Capital Calls and/or Co-investments Funded</i> | <i>Fund Investments<br/>(US\$ in millions)</i> | <i>Direct Co-investments<br/>(US\$ in millions)</i> | <i>Total<br/>(US\$ in millions)</i> |
|---|--|---|-------------------------------------|
| Inception through 31 December 2007                | 135.5  | 30.6  | 166.1                               |
| 1 January 2008 through 31 December 2008           | 175.7  | 14.9  | 190.6                               |
| 1 January 2009 through 30 September 2009          | 37.1   | 1.1   | 38.2                                |
| <b>Total Investments Funded</b>                   |  |   | <b>US\$394.9</b>                    |

| <i>Distributions Received</i>            | <i>Fund Investments<br/>(US\$ in millions)</i> | <i>Direct Co-investments<br/>(US\$ in millions)</i> | <i>Total<br/>(US\$ in millions)</i> |
|--|--|---|-------------------------------------|
| Inception through 31 December 2007       | 19.9   | 3.5   | 23.4                                |
| 1 January 2008 through 31 December 2008  | 37.4   | 12.8  | 50.2                                |
| 1 January 2009 through 30 September 2009 | 15.6   | 2.2   | 17.7                                |
| <b>Total Distributions Received</b>      |  |   | <b>US\$91.3</b>                     |

### ***Recent Commitments***

During October 2009, the Company agreed to co-invest alongside NBG's secondary fund in the purchase of a portfolio of private equity fund investments and co-investments at a discount to net asset value. The portfolio is well diversified by asset class, vintage year and private equity fund manager, and will provide the Company with a total private equity exposure of US\$7.4 million. The transaction has not yet closed.

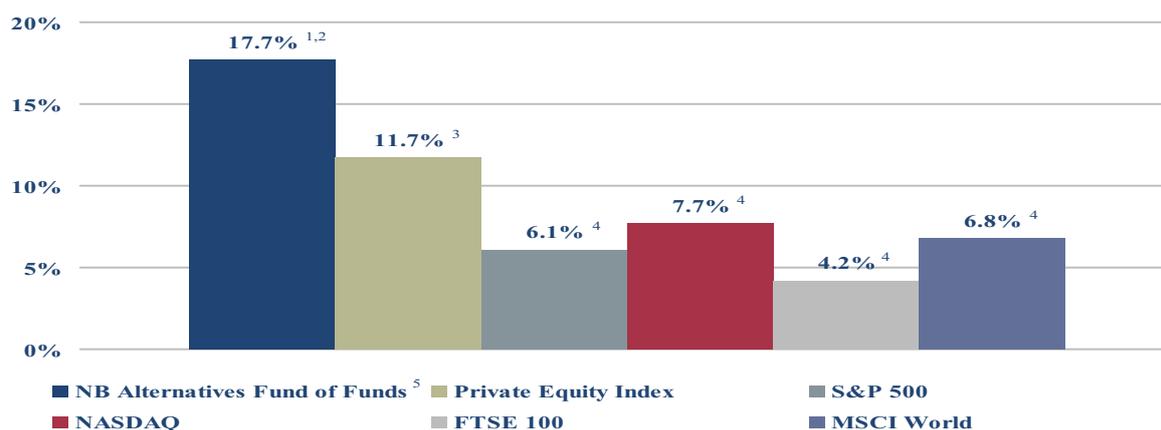
### ***Investment Manager's Track Record***

The Investment Manager, including its predecessor entities, has achieved an annual, compounded net internal rate of return of 17.7 per cent. on its privately managed fund accounts focused on primary private equity fund investments during the period since its inception in 1987 through 30 June 2009.

When considering the track record data presented in this prospectus, investors should bear in mind that past performance is not necessarily indicative of future results and, as a result, the actual returns of the Investment Portfolio may be greater or less than the amounts shown below and as set out elsewhere in this document. In addition, the Company is a closed-end investment company and the performance data presented in this document for the Investment Manager, as well as the private equity index performance data, relate principally to funds structured as self-liquidating partnerships and in which investor contributions were made only when the underlying fund made an actual investment.

The following chart presents comparative information relating to the Investment Manager's track record and certain other public and private equity investment indices. The performance information for the Investment Manager is net of the Investment Manager's management fees, expenses and carried interests, as well as all management fees, expenses and carried interests at the level of the underlying funds.

## Net Internal Rate of Return Since Inception (1/87–6/09)



Note: Indices not adjusted for currency exchange rates.

Although the Company believes that the track record presented may be considered as evidence of the Investment Manager's overall investment experience, the track record should not be taken to represent the same investment program to be pursued by the Company.

- The performance information presented (the "PI") is derived from the financial statements of the Investment Manager's primary fund of funds vehicles and managed accounts (each a "Fund Account") and their underlying partnerships. The PI includes Fund Accounts managed by the Investment Manager and its predecessor entities (the "Predecessors"), the oldest of which was founded in 1981. NBG and its affiliates are the successor to all of the Predecessors' operational assets, and employ substantially all of their key personnel, and the Investment Manager became either the advisor or sub-advisor to the Fund Accounts previously advised by the Predecessors. Investment decisions for the Fund Accounts are made by the Investment Committee. The Investment Committee currently consists of nine voting members, all of whom served on the Investment Committee of the Predecessors immediately prior to the acquisition by NBG. Consequently, the Investment Manager continues to determine its investment advice with respect to Fund Accounts through substantially the same consensus decision-making group that was utilised by the Predecessors.
- The PI presented is based upon the most recent estimates of Fund Account net asset value as 30 June 2009. The PI is net of the Investment Manager's fees, expenses and carried interest, is a composite, does not represent the performance of any one Fund Account, and does not equate with the returns experienced by an investor in any particular Fund Account as a result of differences in the nature, timing and terms of investments. The PI does not include Fund Accounts that focus on secondary private equity investments or co-investments. If secondary and co-investment Fund Accounts were included, the since inception aggregate IRR ending 30 June 2009, net of fees and expenses, is 15.7 per cent. The capital flows between a Fund Account and its investors and the investors' capital account balance on the date of the calculation are utilised to calculate the PI. The PI does not include the performance of recent Fund Accounts that commenced in 2007 or later, as these Fund Accounts are too early in their investment cycle to have meaningful performance information. Certain Fund Accounts included in the PI consist of capital contributed by employees and affiliates and do not have fees, expenses, or carried interest. The PI also includes primary private equity fund commitments made for investment purposes by an internal fund of funds whose sole investors were the Predecessors and their employees, which commitments were selected prior to the acquisition of the Predecessors by current and former members of the Investment Committee. The PI does not include other private equity fund investments made by the Predecessors or NBG for strategic purposes.
- Thomson Venture Economics' US Private Equity Performance Index is based on statistics as of 30 June 2009 published by Thomson Venture Economics' Private Equity Performance Database analysing the cash flows and returns for approximately 1,998 US venture capital and private equity funds having an aggregate capital commitment of approximately US\$930.9 billion to such funds. The Thomson data is compiled from information provided to Thomson by limited partner investors and general partners of such partnerships and are not independently verified by Thomson or the Investment Manager. Returns are net to investors after management fees, expenses and carried interests at the underlying fund level, but, since the data is collected in respect of underlying funds, the index does not reflect the impact on returns of fund of funds level management fees, expenses and carried interests. The Thomson data presented measure performance of the applicable index since 1 January 1987. The investment strategies of the funds included in the Thomson index are in some cases not the same as those in which the Investment Manager's funds and accounts directly or indirectly invested.
- Source: Bloomberg L.P. The Standard & Poor's 500 ("S&P 500") is a basket of 500 widely-held stocks that is weighted by market value. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ National Market. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007, the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The FTSE 100 Index (Financial Times Stock Exchange Index) is a share index of the 100 most highly capitalised UK companies listed on the LSE. Returns for the public stock indices are based upon simple market price appreciation of an investment in the index beginning on 31 December 1986. The return is a 90-quarter annualised performance number. Public market returns, other than MSCI World, exclude all dividends including both payment of dividends to an investor in the index and reinvestment of dividends in the index. Public market returns for MSCI World include all dividend payments to an investor in the index and exclude reinvestment of dividends in the index. The foregoing indices are not an indication of the Company's nor the Investment Manager's expected returns.
- References to the Investment Manager include the Predecessors, the assets of which are presently owned by the Investment Manager, and NBG and its affiliated companies.

## **Credit Facility**

A key component of the Company's over-commitment strategy is the Credit Facility, which enables the Company to borrow, repay and redraw up to US\$250 million in order to cover the Company's capital commitments and working capital requirements on an ongoing basis. The Company continues to believe that the Credit Facility provides it with a ready source of long-term capital to meet future capital calls, additional flexibility to make investments, particularly during periods when the Company is not receiving cash distributions or proceeds from its investments, and enhancement of the Company's investment returns by reducing the amount of its capital that is invested in cash and short-term investments with lower expected returns than private equity. For further information in relation to the Credit Facility, please refer to paragraph 8.3 in Part VI of this document.

## **Liquidity and Capital Resources**

The principal sources of the Company's liquidity consist of the net cash proceeds of cash distributions from investments, sales of investments, interest and dividends earned on invested cash and investments, and borrowings under the Credit Facility. Cash distributions received by the Investment Partnership are reinvested or passed to the Investment Partnership and/or the Special Limited Partner in accordance with the Investment Partnership Agreement.

As at 30 September 2009, the Company had total capital resources of US\$204.5 million, comprised of US\$71.2 million of cash and cash equivalents and US\$133.3 million of undrawn capacity on the Credit Facility.

As at 30 September 2009, the Company had unfunded private equity commitments of US\$158.2 million. Therefore, the Company's total capital resources exceeded the amount of unfunded private equity commitments by US\$46.3 million.

## **Rationale for ZDP Placing and Offer for Subscription and Use of Proceeds**

The Directors believe that the issue of the new class of ZDP Shares will be beneficial for the Company for a number of reasons.

- The Company's capital position is currently strong with excess capital resources over unfunded commitments of US\$46.3 million at 30 September 2009.
- An issue of ZDP Shares would further enhance the Company's capital position and would provide additional resources to enable the Investment Manager to take advantage of current market opportunities without affecting the Company's conservative capital structure and commitment coverage.
- The Directors believe that a number of potentially attractive investment opportunities, including secondary and distressed investments, are accessible in the current market environment and that opportunities for attractive investments will continue to be available over the next two years.
- The Directors believe that the Company's existing private equity Investment Portfolio is well-positioned to generate attractive returns over the long term and that the ZDP Issue is expected to be accretive to Class A Shareholders over the long term.

## **Description of the ZDP Shares and the ZDP Placing and Offer for Subscription**

The ZDP Shares will have a life of 7.5 years maturing on 31 May 2017 and a Final Capital Entitlement of 169.73 pence per ZDP Share on the ZDP Repayment Date, equivalent to a gross redemption yield ("GRY") of 7.30 per cent. per annum based on the Issue Price. On the basis of the Assumptions, the ZDP Shares will have an Initial Cover of 3.75 times, a Final Cover of 3.20 times and a Wipe-out Hurdle rate of -20.4 per cent.

## Principal Risk Factors

Investors should consider carefully the following risks which could have a material adverse effect on the Company or an investment in the ZDP Shares:

- There is no guarantee that the Company will achieve its investment objective. Past performance is no indication of current or future performance or results.
- There is no guarantee that the benefits set out under the section above headed “Rationale for the ZDP Placing and Offer for Subscription” will be achieved.
- Normal market fluctuations and current global economic circumstances may impact the business, operating results or financial condition of the Company.
- The Company’s financial performance depends on the success of its investment strategy, the skill and judgement of the Investment Manager and the Investment Manager’s ability to retain key personnel.
- The reported values of the Company’s investments may not be realised and, on liquidation of the Company’s assets on any given day, the reported NAV may not match the liquidated cash value of such assets.
- The Company may face a highly competitive market for investment opportunities in the future.
- Financial results may be adversely affected by movements in foreign exchange rates.
- The Company is subject to concentration risk in its Investment Portfolio.
- Although the Investment Manager monitors the performance of each investment, unless making a direct co-investment or investing in a fund of funds managed by the Investment Manager, it relies on the management skills of each portfolio company.
- The Company’s Liquid Resources are exposed to credit risk.
- The Company’s investments may be illiquid.
- Market values of publicly traded securities that are held as investments may be volatile.
- Any Company borrowings, including under the Credit Facility, may involve significant risks in the longer term and will rank in priority to the ZDP Shares should the Company be wound up.
- The Company’s ability to control an investment may be dependant on its co-investors.
- The Investment Manager is able to pursue other business activities and provide services to third parties.
- Changes in the Company’s tax status or tax legislation or practice could adversely affect the Company and the ZDP Shareholders.
- There may not be a liquid secondary market for the ZDP Shares, the price of which may fluctuate.
- Holders of ZDP Shares may not receive the Final Capital Entitlement.
- The Investment Manager has significant discretion to make investment decisions.
- The Company’s over-commitment strategy is dependent upon the continuing availability of the Credit Facility.
- The Company makes investments, directly or indirectly through other funds, in companies that are susceptible to economic recessions or downturns.
- The investments of the underlying private equity funds in which the Company invests are subject to market risk, such that the entire investment strategy followed by such funds is subject to failure.
- The Company’s over-commitment strategy is likely to result in the Company’s contingent commitments exceeding its available equity capital.

- Except in very limited circumstances the ZDP Shares do not carry any right to vote at general meetings of Shareholders. ZDP Shareholders will therefore have very limited rights and powers to participate in the management and control of the Company.

**The foregoing is not a comprehensive list of the risks and uncertainties to which the Company is subject. Existing and potential investors are advised to read carefully the detailed risk factors under the following section of this document.**

## RISK FACTORS

**An investment in the ZDP Shares carries a number of risks and in addition to all other information set out in this document, the following specific factors should be considered when deciding whether to make an investment in the ZDP Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the ZDP Shares but are not the only risks relating to the ZDP Shares or the Company. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the ZDP Shares.**

**The ZDP Shares are only suitable for potential investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the ZDP Shares would be of a long-term nature and constitutes part of a diversified investment portfolio and who understand and are willing to assume the risks involved in investing in the ZDP Shares. Additional risks and uncertainties of which the Company is presently unaware or that the Company currently believes are immaterial may also adversely impact its business, financial condition, results of operations or the value of the ZDP Shares.**

**Potential investors in the ZDP Shares should review this document carefully and in its entirety and consult with their professional advisers prior to making an application to subscribe for ZDP Shares. Defined terms used in the risk factors below have the meanings set out under the section headed “Glossary of Selected Terms” on pages 102 to 107 of this document.**

### **Risks Relating to the ZDP Shares**

*There may not be a liquid secondary market for the ZDP Shares, the price of which may fluctuate.*

There may not be a liquid secondary market for the ZDP Shares, and an investment of this type should be regarded as long-term in nature and may not be suitable as a short-term investment. In addition, the value of the ZDP Shares can go down as well as up. The market price and the realisable value of the ZDP Shares, as well as being affected by the underlying value of the Company's net assets, will be affected by interest rates, supply and demand for the ZDP Shares, market conditions and general investor sentiment. As such, the market value and the realisable value (prior to redemption) of the ZDP Shares will fluctuate and may vary considerably. In addition, the published market price of the ZDP Shares will be, typically, their middle market price. Due to the potential difference between the middle market price of the ZDP Shares and the price at which the ZDP Shares can be sold, there is no guarantee that the realisable value of the ZDP Shares will be the same as the published market price.

ZDP Shareholders only have the right to receive the Final Capital Entitlement on the ZDP Repayment Date. ZDP Shareholders wishing to realise their investment will therefore be required to dispose of their ZDP Shares on the stock market or wait until the ZDP Repayment Date.

Market liquidity in the shares of companies such as the Company is sometimes less than market liquidity in shares issued by larger companies traded on the Main Market of the LSE. There can be no guarantee that a liquid market will exist for the ZDP Shares. Accordingly, ZDP Shareholders may be unable to realise their ZDP Shares at all. The Company has applied to the LSE and the CISX for the ZDP Shares to be admitted to trading on the SFM and the CISX respectively. Securities exchanges, including the LSE and the CISX, typically have the right to suspend or limit trading in a company's securities. Any suspension or limits on trading in the ZDP Shares may affect the ability of ZDP Shareholders to realise their investment.

Admission to trading should not be taken as implying that there will be a liquid market for the ZDP Shares. The Company cannot predict the effects on the price of the ZDP Shares if a liquid and active trading market for those ZDP Shares does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the ZDP Shares, and sales of a significant number of those ZDP Shares may be difficult to execute at a stable price.

***ZDP Shareholders may not receive the Final Capital Entitlement.***

The ZDP Shares, whilst ranking prior to the Class A Shares and Class B Shares in respect of the repayment of up to 169.73 pence per ZDP Share from the assets in the Investment Portfolio, rank behind any borrowings made by the Company that remain outstanding. The holders of the Class A Shares and the Class B Shares are entitled to receive all income of the Company on a winding up (after payment of the Company's liabilities) or on the ZDP Repayment Date, even in circumstances where there are insufficient assets in the Investment Portfolio to pay the NAV or Final Capital Entitlement, as the case may be, to the ZDP Shareholders in full. Accordingly, no income of the Company will be available to ZDP Shareholders and the Company may continue to pay distributions in circumstances where the ZDP Shares are uncovered or where ZDP Shareholders have little or no prospect of receiving their NAV or Final Capital Entitlement, as the case may be.

Prospective investors should note that, based on the Assumptions, the Final Capital Entitlement would not be repaid in full on the ZDP Repayment Date if the rate of return in the Gross Assets following issue of the ZDP Shares was -11.5 per cent. or less per annum. ZDP Shareholders would receive no Final Capital Entitlement on the ZDP Repayment Date if the annual growth in the Gross Assets was -20.4 per cent. or less per annum over 7.5 years.

***Interest rate rises are likely to lead to reductions in the market value of the ZDP Shares.***

The market values of the ZDP Shares will be affected by changes in general interest rates, with upward movements in interest rates likely to lead to reductions in the market value of the ZDP Shares, as the differential in return profile between the ZDP Shares and alternative investments is likely to narrow.

***The rights of ZDP Shareholders and the fiduciary duties owed to the Company will be governed by Guernsey law and the Memorandum and Articles and may differ from the rights and duties owed to ZDP Shareholders under the laws of other countries.***

The Company is a closed-end investment company that has been formed and registered under the laws of Guernsey. The rights of ZDP Shareholders and the fiduciary duties that the Board owes to the Company and its ZDP Shareholders are governed by Guernsey law and the Memorandum and Articles. The Articles contain various provisions that modify and restrict the fiduciary duties that might otherwise be owed to ZDP Shareholders. As a result, the rights of ZDP Shareholders and the fiduciary duties that are owed to them and the Company may differ in material respects from the rights and duties that would be applicable if the Company were organised under the laws of a different jurisdiction or if it were not permitted to vary such rights and duties in the Memorandum and Articles.

**Risks Relating to the Company's Investments**

***On liquidation of the Company's assets on any given day, the reported NAV may not match the liquidated cash value of such assets.***

Where the Company is required or deems it necessary to liquidate some or all of its assets on any given day, the liquidated cash value of such assets may not match the reported NAV or portion of the reported NAV (in the case that not all of the Company's assets are liquidated) attributable to such assets. Liquidation of the Company's assets will be subject to a number of factors, including the availability of purchasers of the Company's assets, liquidity and market conditions and, as such, the actual cash value of some or all of the Company's assets may differ from the latest reported NAV (or portion of the reported NAV (in the case that not all of the Company's assets are liquidated)).

***The Company's investments may not appreciate in value or generate investment income or gains, or may lose some or all of their value.***

The Company intends to continue to make, through the Investment Partnership and its subsidiaries, investments that will create long-term value for Shareholders. However, these investments may not appreciate in value and, in fact, may decline in value. To the extent that the Company makes or already holds a co-investment in a portfolio company of a private equity fund in which the Company is a limited partner, the effect of any such diminution of value would be magnified, because it would lose both the value of the investment made through the fund and the value of the co-investment. In addition, the Company's opportunistic and temporary investments include investments in debt securities, including

debt securities which are not rated by any rating agency or which do not have investment grade ratings. Issuers of debt securities may default on payments of interest, principal or both. Accordingly, the Company cannot assure potential investors that the Company's investments will continue to generate gains or income or that any gains or income that may be generated will be sufficient to offset any losses that may be sustained. As a result, investing in the Company is speculative and involves a high degree of risk. The Company's performance may be volatile and ZDP Shareholders could lose all or part of their investment. Past performance is no indication of future results and there can be no assurance that the Company will achieve results comparable to any past performance described in this document.

***The Company follows an over-commitment strategy when making investments, which may result in its contingent commitments exceeding its available equity capital.***

The Company follows an over-commitment strategy when making investments. When an over-commitment approach is followed, the aggregate amount of capital committed by the Company to private equity funds and co-investments at any given time exceeds the aggregate amount of equity capital available for immediate investment. Depending on the circumstances, the Company may need to make borrowings (including under the Credit Facility) or the Company may need to dispose of investments at unfavourable prices or at times when the holding of the investments would be more advantageous in order to fund capital calls that are made by private equity funds to which they have made commitments. Under such circumstances, legal, practical, contractual or other restrictions may limit the Company's flexibility in selecting investments for disposal. In addition, the Credit Facility may not be available or may not allow the Company to adequately fund future capital calls. If for any reason the Company is unable to fulfil the Company's capital commitments to one or more of the private equity funds in which the Company invests, the Company may be subject to significant consequences, including, without limitation, the sale of the Company's assets at a discount or the forfeiture of a significant portion of the Company's interests or rights in such private equity funds.

***The Company's private equity investments are likely to be, and the Company's other investments may be, illiquid.***

A substantial proportion of the Company's investments are in private equity funds or private companies and will require a long-term commitment of capital. For example, while a portfolio investment by a private equity fund may be sold at any time, the Company would not ordinarily expect a sale to occur for a substantial period of time (often, three to five years or more) after the investment is made. In addition, a substantial amount of the Company's investments, and of investments made by funds in which the Company invests, are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell investments if the need arises or if the Company or the Investment Manager determines such sale would be in the Company's best interests. In addition, if the Company were to be required to liquidate all or a portion of an investment quickly, the Company may realise significantly less than the value at which the investment was previously recorded, which could result in a decrease in the NAV.

***The Company operates in a highly competitive market for investment opportunities.***

The Company operates in a highly competitive market for investment opportunities. Identifying and consummating investments with leading private equity fund managers is highly competitive and involves a high degree of uncertainty. The Company encounters competition for investments from other investors, including public and private pension funds, investment partnerships, limited liability companies and trusts, as well as from individuals, corporations, bank and insurance company investment accounts, foreign investors and other entities engaged in investment activities. Some of these competitors may have higher risk tolerances or different risk assessments than the Company's, which could allow them to compete more aggressively. In addition, the underlying funds in respect of the Company's private equity investments also face similar significant competition with respect to their investments. Moreover, in recent years, an increasing number of private equity funds and funds of funds have been formed and these and existing funds have raised significant amounts of capital. The increased amount of capital available for investment has led to increased competition among such funds for suitable investments. Additionally, new funds or investment vehicles with investment objectives similar to the Company's may be formed in the future. No assurance can be given that the Investment Manager

or private equity fund managers will be able to locate further suitable investment opportunities that satisfy the Company's objectives or that any private equity fund or fund of funds will be able to invest all of its committed capital.

***It may be difficult for the Company to access private equity funds particularly in light of the Company's status as a public vehicle.***

The Investment Manager seeks to maintain strong relationships with the fund managers of private equity funds with which it has previously invested and to create targeted new relationships. However, private equity fund managers frequently seek to limit or prohibit the public dissemination of information regarding their investments. Since the Company is a publicly listed and traded investment vehicle with certain ongoing public reporting obligations, particularly with respect to the Investment Portfolio, the Company may be excluded from certain investment opportunities if private equity fund managers are not prepared to permit disclosure of information required to meet the Company's public reporting obligations.

***The Company incurs indebtedness, in addition to indebtedness that is incurred by the underlying portfolio companies in which the Company's investments are made. Such additional indebtedness could subject Shareholders to additional risks.***

The Company incurs indebtedness to fund the Company's liquidity needs, to enhance returns on the Company's investments and for general corporate purposes. As the general partner of the Investment Partnership, the Company is liable without limitation for all debts of the Investment Partnership. This indebtedness, which may be incurred under one or more credit facilities, is in addition to any indebtedness that is incurred by companies in which the Company's investments are made. While the incurrence of this indebtedness may positively affect the NAV when the values of underlying investments increase, it has the potential to magnify the effect of any decrease in the values of the Company's underlying investments.

Because the Company anticipates that a significant proportion of the Company's investments will continue to be illiquid and will not generate distributable cash on a regular basis, the Company may not be able to meet any debt service obligations. If the Company fails to satisfy any debt service obligations or breach any related financial or operating covenants, the Company could be prohibited from making any distributions until such breach is cured or the lender could declare the full amount of the indebtedness to be immediately due and payable and could foreclose on any assets pledged as collateral. In addition, under the Credit Facility, the administrative agent has the power to direct, or to cause the Company to direct, the sale of the Company's assets upon the occurrence of an event of default. In the event that the Company is unable to meet the Company's debt service obligations from other sources, the Company may need to issue additional Shares, including at a discount to the NAV. Any of these outcomes could materially adversely affect the value of a Shareholder's investment in the Company.

***The availability of the Credit Facility is dependent on the Company's and the Investment Partnership's continuing compliance with the covenants of the Credit Facility Agreement.***

The availability of the Credit Facility is dependent on the Company's and the Investment Partnership's continuing compliance with the covenants of the Credit Facility Agreement. The Company and the Investment Partnership are currently in compliance with all of the covenants set out in the Credit Facility Agreement. However, certain events, including reductions in the NAV of the Investment Portfolio, could result in an event of default under the Credit Facility Agreement. Where an event of default occurs, the lender may cancel the undrawn portion of the Credit Facility and declare the entire outstanding principal and interest immediately due. As a result, the Company and the Investment Partnership may not have access to sufficient capital to meet their obligations (including unfunded commitments) and could be forced to sell assets in order to cure the event of default or to repay the Credit Facility. Where the Company and Investment Partnership are obliged to sell assets from the Investment Portfolio to meet their obligations under the Credit Facility, such sale may not reflect the estimated unaudited fair value assigned to such asset(s) by the Investment Manager. Further, if the Credit Facility is unavailable, the ability of the Company and the Investment Partnership to make new investments or to honour funding obligations to which the Company and the Investment Partnership are already committed may be severely restricted. The Company may be unable to enter into further agreements to borrow money or

to refinance the Credit Facility and no guarantee is made that the Board will seek to enter into further credit arrangements or that the Board will deem such course of action prudent and in the best interests of the Company in the circumstances.

***Fund of funds investments are subject to a number of significant risks.***

The Investment Manager does not and will not have an active role in the day-to-day management of the private equity funds and/or companies in which the Company invests and does not and will not have the opportunity to evaluate the specific investments made by any underlying private equity fund. The underlying private equity funds in which the Company invests are also exposed to some or all, depending on the nature of such fund's investments, of the other risks described herein.

If for any reason, the Company is unable to fulfil its capital commitments to one or more of the private equity funds in which the Company invests, the Company may be subject to significant consequences, including, without limitation, the forfeiture of a significant portion of the Company's interests or rights in such private equity funds.

***Substantially all of the Company's investments are held in vehicles that neither the Company nor the Investment Manager control.***

The Company's investments include investments in private equity funds and in equity securities and debt instruments of companies that are not controlled by the Company or the Investment Manager. Those investments are subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or the management of such company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments could decrease and the Company's financial condition and results of operations could suffer as a result.

***The Company's co-investments may afford the Company only limited rights as a shareholder and, as a result, the Company may be unable to protect its interests in such investments. In addition, in certain private equity funds in which the Company currently or may invest, other investors may be able to vote to cause a liquidation of such fund at a time when the Company would not have so voted.***

In connection with co-investments, the Company holds and is likely to continue to hold non-controlling interests in certain portfolio companies and, therefore, generally has only a limited ability to protect its interests in such companies and to influence such companies' management. In addition, co-investments may be made with third parties through joint ventures or other entities which may have controlling ownership interests in such portfolio companies. In such cases, the Company will rely significantly on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Company is not affiliated and whose interests may at times conflict with the Company's interests and the interests of Shareholders. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third party may be in a position to take (or block) action in a manner contrary to the Company's investment objectives or may have financial difficulties resulting in a negative impact on such investment. Moreover, in certain private equity funds in which the Company may invest other investors may be able to vote to cause a liquidation of such funds at a time when the Company would not have so voted. This likelihood may be enhanced by the fact that the Company will almost always be a minority investor in such private equity funds. In addition, the Company may in certain circumstances be liable for the actions of their third-party co-venturers. Co-investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third party partners or co-venturers. There can be no assurance that appropriate minority shareholder rights will be available to the Company or that such rights will provide sufficient protection of the Company's interests.

***The Company may make speculative high-risk investments of all kinds, which could subject the Company to greater risk of loss.***

The Company may enter into speculative high-risk investment opportunities of all kinds in all markets globally, especially with respect to the Company's opportunistic investments. These may include, among others, investments in joint ventures, pooled investment vehicles, limited partnership and limited liability company interests, hedge funds, natural resources, real estate, fixed income, venture capital, debt and

equity securities, foreign currencies, precious metals and derivative instruments. Such high-risk investments may be illiquid and the value of any such investment may be difficult to ascertain. Other than with respect to opportunistic investments (which will not exceed 10 per cent. of the Company's total exposure without Board and Shareholder approval), the Company is not required to invest, or limit the Company's investment to, any specified percentage of the Company's assets in any type of investment. In addition, companies in which the Company invests, or in which underlying private equity funds in which the Company invests, may not achieve their expected profitability, may experience substantial fluctuations in their operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, or to finance expansion to maintain their competitive position, or may otherwise have a weak financial condition. Some companies will depend for their success on the management talents and efforts of one person or a small group of persons whose death, disability or resignation would adversely affect their businesses. To the extent the Company invests in hedge funds, the Company's investments will be subject to risk of loss in part because hedge funds use highly speculative investment techniques, including without limitation, leverage, short-selling, derivative instruments, investing in work-outs and start-ups, short-term trading and arbitrage. The Company may continue to invest, expects to continue to invest, and expects that the underlying private equity funds in which the Company invests will invest, in companies with highly leveraged capital structures that make them more vulnerable to adverse financial or business developments than less highly leveraged companies. In addition, the securities in which the Company or such underlying funds invest may include the most junior securities in complex capital structures, which are subject to the greatest risk of loss. In all such cases, the Company is and will be subject to the risks associated with the underlying businesses engaged in by portfolio companies, including market conditions, changes in regulatory environment, general economic and political conditions, the loss of key management personnel and other factors.

***The Company's private equity investments are subject to a number of significant risks.***

The Company's private equity investments involve a number of significant risks, including the following:

- the market for private equity investments is subject to fluctuations and may significantly diminish owing to changes in interest rates, the availability of financing (including senior credit, mezzanine and high yield) and general market conditions; a disruption in the market for private equity investments could cause the Company's investment strategy to fail;
- companies in which private equity investments are made are often dependent on the management talents and efforts of a small group of persons and, as a result, the death, disability, incapacity, resignation, termination or otherwise of one or more of those persons could have a material adverse impact on their business and prospects and the investment made;
- companies in which private equity investments are made 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;
- generally limited public information exists about companies in which private equity investments are made 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; and
- if the Company receives distributions in kind from any of its private equity investments the Company will incur additional risks in disposing of such assets.

***The Company's private equity fund investments and co-investments may, directly or indirectly, be in companies that are highly leveraged.***

The Company has made and expects to make further investments, both directly and indirectly through other funds, in companies whose capital structures have a significant degree of leverage. In addition, companies that are not or do not become highly leveraged at the time an investment is made may increase their leverage after the time of investment. Investments in highly leveraged companies are

inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. In addition, the incurrence of a significant amount of indebtedness by a company may, among other things:

- give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which may limit the company's ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;
- limit such company's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;
- limit the company's ability to engage in strategic acquisitions that may be necessary to generate attractive returns or further growth; and
- limit the company's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged company is generally greater than for companies with comparatively less debt.

***The Company is exposed to risks arising from movements in prevailing interest rates.***

The Company expects to continue to incur indebtedness, including through the Credit Facility, to fund the Company's liquidity needs, to leverage the Company's opportunistic investments and potentially to leverage certain of the Company's temporary investments. The Company may also make fixed income investments that are sensitive to changes in interest rates. As a result, the Company will be exposed to risks associated with movements in prevailing interest rates. An increase in interest rates could make it more difficult or expensive for the Company to obtain debt financing, could negatively impact the values of fixed income investments and could decrease the returns that the Company's investments generate.

The Company is subject to additional risks associated with changes in prevailing interest rates due to the fact that the Company's capital will be invested either directly or indirectly through private equity funds, in portfolio companies whose capital structures have a significant degree of indebtedness. Investments in highly leveraged companies are inherently more sensitive to declines in revenues, increases in expenses and interest, economic, market and industry developments. A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would be the case if money had not been borrowed. As a result, the risk of loss associated with an investment in a leveraged company is generally greater than for comparatively less debt.

***The Company may make investments in restructurings or distressed assets, which could subject the Company to greater risk of loss.***

The Company may make, and the underlying funds in which the Company invests may make, investments in restructurings, including bankruptcies and workouts, which involve companies that are experiencing or are expected to experience financial difficulties, which may never be overcome. Such investments could, in certain circumstances, subject the Company to certain additional potential liabilities. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated, or disallowed, or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments by such companies to the Company could be required to be returned if any such payment is later determined to have been a fraudulent conveyance or a preferential payment. Numerous other risks also arise in the workout and bankruptcy contexts.

***The Company will continue to invest directly and indirectly in less established companies, which may subject the Company to greater risk of loss.***

The Company and the underlying funds in which the Company will continue to invest may invest a portion of assets in the securities of less established companies or early stage companies, including, for example, in venture capital investments. Investments in such portfolio companies may involve greater

risks than are generally associated with investments in more established companies. For example, to the extent there is any public market for such securities, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Such companies may have shorter operating histories on which to judge future performance and, if operating, may have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Such companies also may have a lower capitalisation and fewer resources (including cash) and be more vulnerable to failure, resulting in the loss of the Company's entire investment. The availability of capital is generally a function of capital market conditions that are beyond the Company's control, or the control of the underlying private equity funds or portfolio companies in which the Company, directly or indirectly, invests. There can be no assurance that any portfolio company will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the Company, directly or indirectly, invests, the Company may suffer a partial or total loss of the Company's investment. There can be no assurance that any such losses will be offset by gains (if any) realised on the Company's other investments.

***The Company may make mezzanine debt investments, which could subject the Company to greater risk of loss.***

The Company may invest, both directly and indirectly through other funds, in companies whose capital structures have significant leverage ranking ahead of the Company's investment. In such mezzanine debt investments, due to their subordinated positions in a portfolio company's capital structure, the Company may not be able to take the steps necessary to protect the Company's investment in a timely manner or at all and there can be no assurance that the Company's rate of return objectives on any particular mezzanine debt investment will be achieved. As debt, such mezzanine investments generally are subject to various creditor risks, including the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, so-called lender liability claims by the issuer of the obligations and environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any investee company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of the Company's investment in any such company. Furthermore, the Company may provide commitments and capital for interim financing such as bridge loans. In addition to the risks and uncertainties associated with any debt investments, a bridge loan may not be repaid or refinanced as scheduled and the bridge loan may become in default or be required to be made part of the permanent capital structure of the borrower under circumstances in which the investee company was not able to execute its financing plan. In either case, the risk of loss of the Company's principal in the investment will be exacerbated.

***The Company invests in a variety of currencies and jurisdictions around the world which may subject the Company to significant price fluctuations and greater risk of loss.***

The Company invests in a variety of currencies and the assets and securities of issuers in a variety of jurisdictions. Investments of this type may be subject to significant price fluctuations and above-average risk. These investments involve certain additional risks, including risks relating to currency exchange matters, including fluctuations in the rate of exchange between the United States dollar and the various foreign currencies in which the Company's investments are denominated (which could result in significant changes in the NAVs reported by the Company), and costs associated with conversions of investment principal and income from one currency to another; certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; the possibility of substantial rates of inflation or rapid fluctuation in inflation rates; and the possible imposition of taxes on income and gains recognised with respect to such securities or distributions therefrom.

***Performance allocations in the funds and portfolio companies in which the Company invests may create certain investment risks.***

The Company invests in other investment vehicles that have performance-based fee or compensation arrangements for the managers of such vehicles. The existence of such arrangements may create an incentive for such investment vehicles' managers to make riskier or more speculative investments on behalf of such investment vehicles than they would make in the absence of such performance-based compensation payments.

***The due diligence process that the Investment Manager undertakes in connection with the Company's investments may not reveal all facts that may be relevant in connection with an investment.***

Before the Company makes any investment, the Investment Manager conducts extensive due diligence it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment. When conducting due diligence and making an assessment regarding an investment, the Investment Manager will be required to rely on resources available to it, including information provided by the target of the investment or, in the case of co-investments, the party with whom the Company is co-investing. Accordingly, there can be no assurance that the due diligence investigation that the Investment Manager carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, there can be no assurance that such an investigation will result in an investment being successful.

***The Company has very broad investment policies and the Investment Manager has substantial discretion when making investment decisions, including with respect to the allocation of investment opportunities to other private equity funds managed by the Investment Manager.***

The Company has very broad investment policies. These policies will provide the Investment Manager with substantial discretion when selecting, acquiring and disposing of investments, including in determining the types of investments that it deems appropriate, the investment approach that it follows when making investments and the timing of investments. While the Board will periodically review the Investment Manager's compliance with these investment policies, it is generally not expected to review or approve individual investment decisions. It may be difficult or impossible to unwind investments that are not consistent with these investment policies by the time they are reviewed by the Board. In addition, these investment policies do not impose any limitations on the terms of the funds through which the Company may make the Company's investments, including with respect to fund size, affiliation, geographic concentration, investment parameters and industry focus.

***The Company's investments may rank junior to investments made by others.***

The Company will continue to make private equity investments (either directly or indirectly) and co-investments, and may also make opportunistic investments, in companies that have indebtedness or equity securities, or may be permitted to incur indebtedness or to issue equity securities, that rank senior to the Company's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of the Company's investment. Also, in the event of insolvency, liquidation, dissolution, reorganisation or bankruptcy of a company in which an investment is made, holders of securities ranking senior to the Company's investment in the company would typically be entitled to receive payment in full before distributions could be made in respect of the Company's investment. After repaying senior security holders, that company may not have any remaining assets to use for repaying amounts owed in respect of the Company's investment. To the extent that any assets remain, holders of claims that rank equally with the Company's investment would be entitled to share on an equal and rateable basis in distributions that are made out of those assets.

***Economic recessions or downturns could impair the value of the Company's investments.***

The Company holds and expects to make further investments, directly or indirectly through other funds, in companies that are susceptible to economic recessions or downturns. During periods of adverse economic conditions, these companies may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these companies may

also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due. Any of the foregoing could cause the value of the Company's investments to decline. In addition, during periods of adverse economic conditions, the Company may have difficulty accessing financial markets, which could make it more difficult or impossible for the Company to obtain funding for additional investments and harm the NAV and operating results.

***Access to confidential information may restrict the ability of the Investment Manager to take action with some investments, which, in turn, may negatively affect the potential returns to Shareholders.***

Employees of NBG may directly or indirectly obtain confidential information concerning one or more companies in which an investment has been or may be made. NBG has implemented compliance procedures designed to seek to ensure that material non-public information is not used for making investment decisions on the Company's behalf, although the Company makes no assurance that such procedures will be effective. Under these procedures, if employees of NBG possess confidential information concerning a company, there may be restrictions on their ability to inform the individuals responsible for making the Company's investment decisions. Such restrictions could limit the Company's freedom to make potentially profitable investments or to liquidate an investment when it would be in the Company's best interests to do so.

***The Company does not have any operations and the Company's principal source of cash will be the investments made through the Investment Partnership.***

Upon completion of the ZDP Issue, the Company expects to contribute substantially all of the proceeds of the ZDP Issue to the Investment Partnership. The ability of the Investment Partnership to make cash distributions to the Company will depend on a number of factors, including, among others, the actual results of operations and financial condition of the Investment Partnership and its subsidiaries, restrictions on cash distributions that are imposed by applicable law or the limited partnership agreement of the Investment Partnership, the timing and amount of cash generated by investments that are made by the Investment Partnership and its subsidiaries, any contingent liabilities to which the Investment Partnership and its subsidiaries may be subject (including any amounts required to be repaid in connection with clawback provisions in underlying private equity fund investments) and, the amount of taxable income generated by the Investment Partnership and its subsidiaries. If the Company is unable to receive cash distributions from the Investment Partnership or if the Investment Partnership is unable to receive cash distributions from its subsidiaries, the Company may not be able to meet its expenses when they become due.

***Risk management activities may adversely affect the return on the Company's investments.***

When managing the Company's exposure to market risks the Investment Manager may use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments or use highly speculative investment techniques to limit the Company's exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates. The Company anticipates that the scope of risk management activities undertaken by the Investment Manager will vary based on the level and volatility of interest rates, prevailing foreign currency exchange rates, the types of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if that value of the position declines. However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

The success of any hedging or other derivative transactions that the Company enters into generally will depend on the Investment Manager's ability to correctly predict market changes. As a result, while the Investment Manager may cause the Company to enter into such transactions in order to reduce the Company's exposure to market risks, unanticipated market changes may result in poorer overall

investment performance than if the transaction had not been executed. In addition, degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Investment Manager may not seek or be successful in establishing a perfect correlation between the instruments used in a hedging or other derivative transactions and the position being hedged. An imperfect correlation could prevent the Investment Manager from achieving the intended result and could give rise to a loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the value of the Company's investments, because the value of investments is likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

***The Company is exposed to general capital markets risks in connection with the Company's opportunistic and temporary investments.***

The Company's opportunistic and temporary investments include investments in publicly traded securities. The Company and the private equity funds in which the Company invests may also make investments in portfolio companies whose securities are offered to the public in connection with the process of exiting an investment. The market prices and values of publicly traded securities of companies in which the Company has investments may be volatile and are likely to fluctuate due to a number of factors beyond the Company's control, including actual or anticipated fluctuations in the quarterly and annual results of such companies or of other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, industry conditions, changes in government regulation, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancings, acquisitions and dispositions. In accordance with US GAAP, the Company will value investments in publicly traded securities based on current market prices at the end of each accounting period, which could lead to significant changes in the NAVs, the Company reports monthly and operating results that the Company reports from quarter to quarter.

***The Company may receive distributions in kind in connection with the Company's investments which may subject the Company to certain risks.***

The Company may receive distributions in kind in connection with the Company's investments which may subject the Company to certain risks. For example, there can be no assurance that securities distributed in kind will be readily marketable or saleable, and the Company may be required to hold such securities for an indefinite period and/or may incur additional expense in connection with any disposition of such securities.

**Risks Relating to the Company and its Investment Strategy**

***There is no guarantee that the values of investments that the Company reports from time to time will in fact be realised.***

A substantial portion of the investments that the Company makes, including investments that are made through private equity funds, are in the form of investments for which market quotations are not readily available. The Investment Manager is required to make good faith determinations as to the fair value of these investments on a quarterly basis (and on a monthly basis for the determination of NAV) in connection with the preparation of the Company's financial statements. In addition, these determinations are often based on information (including calculations of NAV) made available by the underlying general partners or similar entities of the private equity funds in which the Company invests, which, in turn, may be based on estimates made by such entities. Moreover, the Management Fee payable to the Investment Manager and the carried interest distributable to the Special Limited Partner are based on the good faith determinations made by the Investment Manager of the value of the Company's private equity and opportunistic investments and the Company's internal rate of return. Similarly, the calculation of ZDP Cover shall be based on the determination and calculations of NAV made by the Investment Manager. In addition, the Company is not required and does not intend, to utilise the services of any independent valuation consultant or similar entity in the future.

There is no single standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived. The types of factors that may be considered when applying fair value pricing to an investment in a particular company include the historical and projected financial data for the company, valuations given to comparable companies, the size and scope of the company's operations, the strengths and weaknesses of the company, expectations relating to investors' receptivity to an offering of the company's securities, the size of the Investment Manager's holding in the portfolio company and any control associated therewith, information with respect to transactions or offers for the portfolio company's securities (including the transaction pursuant to which the investment was made and the period of time that has elapsed from the date of the investment to the valuation date), applicable restrictions on transfer, industry information and assumptions, general economic and market conditions, the nature and realisable value of any collateral or credit support and other relevant factors. Fair values may be established using a market multiple approach that is based on a specific financial measure (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or NAV) or, in some cases, a cost basis or a discounted cash flow or liquidation analysis.

Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed. Even if market quotations are available for the Company's investments, such quotations may not reflect the value that the Company would actually be able to realise because of various factors, including the possible illiquidity associated with a large ownership position, subsequent illiquidity in the market for a company's securities, future market price volatility or the potential for a future loss in market value based on poor industry conditions or the market's view of overall company and management performance. The NAV, and the ZDP Cover ratios could be adversely affected if the values of investments that the Company records are materially higher than the values that are ultimately realised upon the disposal of the investments and changes in values attributed to investments from quarter to quarter may result in volatility in the NAVs and results of operations that the Company reports from period to period. The Company makes no assurance and gives no guarantee that the investment values that the Company records from time to time will ultimately be realised.

***The Company's operating history and the Investment Manager's private equity track record is not indicative of the Investment Manager's or the Company's future performance.***

The Company's operating history and the private equity track record of the Investment Manager (including its predecessor entities) is not indicative of the Company's or the Investment Manager's future performance. No guarantee is made in relation to the performance of the Company or the ZDP Shares. Past performance may not be an accurate predictor of future performance or returns, nor is there any guarantee that future market conditions will allow for similar performance. An investment in the Company is subject to all of the risks and uncertainties associated with an investment business of the Company's type, including the risk that the Company will not achieve its investment objectives and that the value of the ZDP Shares could decline substantially

***The Company is highly dependent on the Investment Manager and its investment professionals.***

The Company, the Investment Partnership and the Investment Partnership's subsidiaries do not currently have any employees or own any facilities, and each depends on the Investment Manager for the day-to-day management and operation of the Company's business. Under the Investment Management and Services Agreement, the Investment Manager is responsible for, among other things, selecting, acquiring and disposing of investments, carrying out financing, cash management and risk management activities, providing investment advisory services, including with respect to the Company's investment policies, and arranging for personnel and support staff to be provided to carry out the management and operation of the Company's business. Additionally, there are no restrictions on the Investment Manager's ability to establish funds or other publicly traded entities that compete with the Company. Personnel and support staff provided by the Investment Manager are not required to have as their primary responsibility the day-to-day management and operations of the Company or to act exclusively for the Company. Moreover, certain private equity funds in which the Company has invested, including NB Crossroads Fund XVII and NB Crossroads Fund XVIII, will similarly be dependent on the Investment Manager for investment management, operational and financial advisory services.

The Company believes that its success and the success of certain of the private equity funds or other investments in which the Company invests will depend upon the experience of the Investment Manager and its continued involvement in the Company's business and those private equity funds. If the Investment Manager were to cease to provide services under the Investment Management and Services Agreement or to cease to provide investment management, operational and financial advisory services to the Company or to any of its private equity funds for any reason, the Company would experience difficulty in making new investments, the Company's business and prospects would be materially harmed and the value of the Company's existing investments, the ZDP Shares and the Company's results of operations and financial condition would be likely to suffer materially.

***The Company's financial condition and results of operations depend on the Investment Manager's ability to implement effectively the Company's investment strategy.***

The Company's ability to achieve its investment objectives and strategy depends on the Company's ability to grow its investment base, which depends, in turn, on the Investment Manager's ability to identify, invest in and monitor a suitable number of companies and implement the various aspects of the Company's investment strategy. Achieving growth is largely a function of the Investment Manager's structuring of the investment process, its ability to provide competent, attentive and efficient services under the Investment Management and Services Agreement and the Company's ability to reinvest capital and to obtain additional capital on acceptable terms. The Investment Manager has substantial responsibilities under the Investment Management and Services Agreement. In order for the Company to grow, the Investment Manager may be required to hire, train, supervise and manage new employees. However, the Company can offer no assurance that any of those employees will contribute to the work that the Investment Manager carries out on the Company's behalf. Any failure to manage the Company's future growth or to effectively implement the Company's investment strategy could have a material adverse effect on the Company's business, financial condition and results of operations.

***The Company expects to face significant uncertainty in the Company's valuations of secondary investments that the Company may make in private equity funds.***

The Company's overall performance with respect to secondary investments will depend in large part on the acquisition price the Company pays for its investments, which is typically determined by reference to the carrying values most recently reported by the private equity funds in which the Company may seek to invest. Such private equity funds are not generally obligated to update any valuations in connection with a transfer of interests on a secondary basis, and such valuations may not be indicative of ultimate realisable values. Moreover, there is no established market for secondary investments or for the privately held portfolio companies in which such private equity funds may own securities, and there may not be any comparable companies for which public market valuations exist. As a result, the Company's valuation of secondary investments may be based on limited information and will be subject to inherent uncertainties. Generally, the Company will not be acquiring interests directly from the issuers of secondary investments, will not have the opportunity to negotiate the terms of the secondary investments being purchased or any special rights or privileges, and expect to hold the Company's secondary investments on a long-term basis. As a result, the Company's performance will be adversely affected in the event the valuations assumed by the Company in the course of negotiating acquisitions of private equity funds prove to have been too high. The Company may also face portfolio sales or other situations where, in order to make investments considered desirable, the Company will be required to make other investments considered less desirable or for which the Company is less comfortable with the estimate valuations.

***The Investment Manager exercises substantial influence over the Company's business.***

The Company has delegated substantially all of its duties, rights and powers to the Investment Manager pursuant to the Investment Management and Services Agreement. Although the Investment Management and Services Agreement requires the Investment Manager to make investments in accordance with the Company's investment policies, the Company may have difficulty enforcing or verifying compliance and it may be difficult or impossible to unwind investments that do not comply with the Company's investment policies after those investments have been made. The Board will rely primarily on the Investment Manager to help monitor the Company's compliance with the Company's investment policies, which could make it more difficult for the Company to detect non-compliance or to enforce the Company's rights.

***Termination of the Investment Management and Services Agreement between the Company and the Investment Manager may be difficult.***

The termination of the Investment Management and Services Agreement by the Company for any reason would require the approval of a majority of the Board and the holders of Class A Shares and Class B Shares and would result in the payment of a significant termination fee. As a result, any such action would require the unanimous approval of the Company's independent Directors to the extent none of the Directors affiliated with the Investment Manager agree with such action. Such approval may be difficult to obtain. If the Company is unable to terminate the Investment Management and Services Agreement, the market price of the ZDP Shares could suffer. For the avoidance of doubt, ZDP Shareholders shall have no right to vote in relation to any proposal to terminate the Investment Management and Services Agreement.

***The departure or reassignment of some or all of the Investment Manager's investment professionals could prevent the Company from achieving its investment objectives.***

The Company depends on the diligence, skill and business contacts of the Investment Manager's investment professionals and the information and deal flow they generate during the normal course of their activities. The Company's future success depends on the continued service of these individuals, who are not obligated to remain employed with the Investment Manager. The Investment Manager has experienced departures of key investment professionals in the past and may do so in the future, and the Company cannot predict the impact that any such departures will have on the Company's ability to achieve its investment objectives. The departure of any of the members of the Investment Committee or a significant number of its other investment professionals for any reason, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the Company's ability to achieve its investment objectives. The Investment Management and Services Agreement does not require the Investment Manager to maintain the employment of any of its investment professionals or to cause any particular investment professionals, other than members of the Investment Committee, to provide service to the Company. In addition, a transfer of control over the Investment Manager's business could result in the departure or reassignment of some or all of the Investment Manager's investment professionals that are involved in the Company's business.

***The liability of the Investment Manager and the Investment Manager's affiliates is limited under the Company's arrangements with them, and the Company has agreed to indemnify the Investment Manager and the Investment Manager's affiliates against claims that they may face in connection with such arrangements, which may lead them to assume greater risks when making investment-related decisions than they otherwise would if investments were being made solely for their own account.***

Under the Investment Management and Services Agreement, the Investment Manager has not assumed any responsibility other than to render the services described in the Investment Management and Services Agreement in good faith and will not be responsible for any action that the Company takes in following or declining to follow its advice or recommendations. The liability of the Investment Manager and its affiliates under the Investment Management and Services Agreement is limited to conduct involving bad faith, fraud, wilful misconduct or gross negligence. These waivers do not include, however, waivers of any rights, duties or protections that cannot be waived under applicable securities laws. In addition, the Company has agreed to indemnify the Investment Manager and the Investment Manager's affiliates to the fullest extent permitted by law from and against any claims, liabilities, losses, damages, costs or expenses incurred by an indemnified person or threatened in connection with the Company's respective businesses, investments and activities or in respect of or arising from the Investment Management and Services Agreement or the services provided by the Investment Manager, except to the extent that the claims, liabilities, losses, damages, costs or expenses are determined to have resulted from the conduct in respect of which such persons have liability as described above. These protections may result in the Investment Manager and its affiliates tolerating greater risks when making investment-related decisions than otherwise would be the case, including when determining whether to use leverage in connection with investments. The indemnification arrangements to which such persons are a party may also give rise to legal claims for indemnification that are adverse to the Company and/or ZDP Shareholders.

***The Company may experience fluctuations in its quarterly operating results.***

The Company may experience fluctuations in its operating results from quarter to quarter due to a number of factors, including changes in the values of investments, which in turn could be due to changes in values of portfolio companies, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Where there is a change to the values of investments, there will be a corresponding change to the ZDP Cover ratios. Such variability may lead to volatility in the trading price of the ZDP Shares and cause the Company's results for a particular period not to be indicative of the Company's performance in a future period.

***Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company's business and results of operations.***

The Company is subject to laws and regulations enacted by national, regional and local governments. The Investment Partnership and the Investment Partnership's subsidiaries are subject to comparable laws and regulations. In particular, the Company is required to comply with certain licensing and on-going notification requirements that are applicable to a Guernsey closed-end investment company, including laws and regulations supervised by the GFSC, and is required to comply with certain Netherlands legal and regulatory requirements that are applicable to collective investment schemes established outside of the Netherlands. In addition, the Investment Partnership's subsidiaries either currently subsisting or to be established, are subject to regulation in other countries. Additional laws may apply to the private equity funds and portfolio companies in which the Company makes 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 Company'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 Company's business, investments and results of operations.

**Risks Relating to Conflicts of Interests**

***The broad and wide-ranging activities of NBG may give rise to conflicts of interest with the Company's investors.***

As a diversified investment advisory group, NBG engages in multiple activities, including offering investment advisory services across multiple asset classes and sponsoring and managing private equity funds. As a result, NBG may engage in activities where NBG (including, without limitation, the Investment Manager's) interests or the interests of its clients may conflict with one or more investors' interests. The Board will have the power to resolve conflicts of interest and such resolution (including taking any necessary or appropriate actions to ameliorate such conflicts) will be binding on the Company.

***The Investment Manager's relationships with other funds it and its affiliates manage may create conflicts in the types of investments the Company makes.***

The Investment Manager and its affiliates manage, on an independent and autonomous basis, several private equity funds in which it is currently investing on behalf of third-party investors, NBG (including certain of its employees) and others, including, without limitation, funds investing in private equity funds, co-investments, secondary fund interests, master limited partnerships, mezzanine debt securities and other types of funds, and will raise other private funds and other investment vehicles in the future. Such funds may from time to time make investments that would be suitable for the Company. In addition, NBG may make such private equity investments for its own account.

Currently, the Investment Manager and NBG follow an allocation program by which primary and secondary investments in private equity funds and co-investments are allocated across several private equity funds sponsored and managed by the Investment Manager and NBG. With respect to primary investments in private equity funds, NBG intends to seek the maximum allocation that fits within the pre-defined diversification targets for each relevant fund. If the total available primary fund allocation is less than the aggregated allocation targets, then allocation to each fund will equal the

fund's proportional share of the total targeted allocation amount, provided certain minimum investment size thresholds are met (if such thresholds are not met a rotation system is used to allocate opportunities). With respect to co-investments and secondary investments in private equity funds, it is intended that funds of funds managed by the Investment Manager, including the Company, may participate in a minimum of 10 per cent. of each co-investment transaction or secondary fund transaction. If total availability for such opportunities is less than the aggregate allocation targets, then allocation to funds of funds managed by the Investment Manager is expected to follow the proportional sharing arrangement (or rotation) as presented above. NBG may change these policies at any time in its sole discretion.

In general, the Investment Manager and NBG will, from time to time, be presented with investment opportunities that fall within the Company's investment objective and the investment objectives of NBG and/or other private equity funds or funds of funds sponsored or managed by the Investment Manager or its affiliates and conflicts may arise in allocating such opportunities. In addition, NBG may make such private equity investments for its own account. NBG and the Investment Manager will allocate such opportunities among the Company, such other funds and NBG on a basis that it determines is appropriate taking into account portfolio diversification concerns, the specific nature of the investment, the source of the investment opportunity, the nature of the investment focus of each private equity fund, the relative amounts of capital available for investment in or by each such fund and other considerations deemed relevant by NBG or the Investment Manager, as applicable, in their sole discretion. Neither NBG nor the Investment Manager will be under any obligation to make investments that fall within the Company's investment objective and selection criteria available, in whole or in part, to the Company and may make such investments on its own behalf or on behalf of any other fund or entity sponsored or managed by the Investment Manager or its affiliates. In particular, opportunities to make follow-on investments in portfolio companies of a particular fund generally will be allocated to that fund.

Furthermore, investments to be made by the Company may involve (directly or indirectly) new or follow-on investments in entities in which NBG, the Investment Manager or other funds sponsored or managed by the Investment Manager have made or will make investments or capital commitments. Such investments or capital commitments may have been or may be made at different prices and on different terms. No assurance can be given that the Company will realise identical economic results from an investment in a portfolio company, and as a result thereof the interest of NBG, the Investment Manager or other funds sponsored or managed by the Investment Manager and the interest of the Company in restructuring or realising an investment may differ.

***The Company's organisational, ownership and investment structure may create conflicts of interest that may be resolved in a manner which is not always in the best interests of the Company or the best interests of ZDP Shareholders.***

The Company's organisational, ownership and investment structure involves a number of relationships that may give rise to conflicts of interest between the Company and Shareholders, on the one hand, and the Investment Manager and its affiliates, on the other hand. In certain instances, the interests of the Investment Manager and the Investment Manager's affiliates who are involved in the Company's business and the Company's investments may differ from the interests of the Company and Shareholders, including with respect to the types of investments made, the timing and method in which investments are exited, the reinvestment of returns generated by investments, the use of leverage when making investments and the appointment of outside advisers and service providers.

***The Investment Manager may cause the Company to make parallel investments with other funds it manages and there can be no assurance that these investments will be made on a fully pro rata basis.***

The Investment Manager, in its sole discretion, may cause the Company to invest in private equity funds in parallel, directly or indirectly, with one or more other funds it manages. In order to ensure that the Company's investments and those of the other funds it manages are ultimately made on a *pro rata* basis, the Investment Manager may, in its discretion, seek to effect the transfer of interests in the private equity funds between and among the Company and the other funds managed by the Investment Manager. These transfers may require the approval of the general partners of the relevant private equity funds. No

assurance can be given that such approvals will be granted, and the Investment Manager cannot ensure that parallel interests in private equity funds held by the Company and the other funds managed by the Investment Manager will ultimately be held on a fully *pro rata* basis.

***Investment advisory relationships may influence the Investment Manager's decisions and may, at times, preclude the Company from making certain investments.***

In the course of its business, NBG may represent potential purchasers, sellers and other involved parties with respect to businesses that may be suitable for investment by the Company. In such a case, the client may require NBG to act exclusively on its behalf, thereby precluding the Company from acquiring or investing in such businesses. NBG will be under no obligation to decline such engagements in order to make the investment opportunity available to the Company. In connection with its advisory business, NBG may come into possession of information that limits its ability to engage in potential transactions. The Company's activities may be constrained as a result of the Investment Manager's ability to use such information. In certain sale assignments, the seller may permit the Company to act as a buyer, which would raise certain conflicts of interest inherent in such a situation. NBG has long-term relationships with a significant number of corporations and their senior management. In addition, NBG has long-term relationships with a large number of institutional clients, including private equity firms and funds of funds. It is possible that the Company will invest in funds managed by private equity firms and funds of funds that are NBG clients. It is also possible that other areas of NBG may independently invest with these types of clients or make other investments that are within the scope of the Company's investment parameters. In determining whether to pursue a particular transaction on behalf of the Company, these relationships could influence the decisions made by the Investment Manager. Certain potential transactions also may not be pursued on behalf of the Company in light of such relationships. In managing and administering the Company, the Investment Manager will carefully consider these potential conflicts. There can be no assurance that all potentially suitable investment opportunities that come to the attention of NBG will be made available to the Company.

In addition, the Company may make co-investments with clients of NBG in particular investment opportunities and the relationship with such clients may influence the decisions made by the Investment Manager with respect to such investments.

***NBG and its affiliates are able to pursue other business activities and provide services to third parties that compete directly with the Company, which could cause the Company to compete with others for access to the Investment Manager's investment professionals, information and deal flow.***

NBG and its affiliates are able to pursue other business activities and provide services to third parties that compete directly with the Company, including sponsoring or managing a private equity fund, such as a hedge fund or other fund of funds, that makes investments that are similar to the types of opportunistic investments that the Company makes. In addition to the Company and certain of the private equity funds in which the Company makes investments, NBG and its affiliates have established or advised, and may continue to establish or advise, other investment entities that rely on the diligence, skill and business contacts of NBG's investment professionals and the information and deal flow they generate during the normal course of their activities. The requirements of these entities may be substantial and may cause NBG to divert some of the resources and professionals that would otherwise be made available under the Investment Management and Services Agreement with the Investment Manager. Some of these entities may also have investment objectives that overlap with the Company's investment objectives and NBG and its affiliates may have greater financial incentives to assist those other entities over the Company. Under the Investment Management and Services Agreement, the Investment Manager will be permitted to allocate resources and personnel to those entities in a manner that it deems appropriate, provided that the allocation of resources and personnel does not substantially and adversely affect the performance of its obligations under the Investment Management and Services Agreement. To the extent that the Investment Manager and its affiliates engage in activities for themselves or others, those activities may be detrimental to the Company's business and adverse to the interests of Shareholders and may, in some cases, lead to the allocation of investment opportunities to others. Due to the foregoing, the Company expects to compete from time to time with affiliates of the Investment Manager for access to the benefits that the Company expects to realise from the Investment Manager's involvement in the Company's business.

***Investment activities with other funds may give rise to certain conflicts of interest.***

NBG may offer, on an agency basis for third parties, interests in pooled investment vehicles that may have primary investment objectives that are substantially similar to those of the Company and, in connection with any such offering, may receive customary compensation, including an interest in such other pooled investment vehicle.

***Other affiliate transactions may give rise to numerous conflicts of interest that may not necessarily be resolved in the Company's favour.***

The Company may from time to time engage in transactions with the Company's affiliates involving co-investing either directly or indirectly with NBG and affiliates of NBG in portfolio companies, and may invest in entities in which NBG or its affiliates hold material investments. NBG and its affiliates also may provide services to, or engage in transactions with, the Company or portfolio companies or other entities in which the Company has invested either directly or indirectly. NBG may have an incentive to seek to refer or recommend such investments to the Company or to cause the Company to pay a higher price for such investments as a result of NBG or its affiliates' financial interests in such investments.

Conflicts of interest may arise in connection with any co-investment or other affiliate transactions where the Company invests in equity securities of a company while NBG invests in debt securities of that company. There can be no assurance that the return on the Company's investment will be equivalent to or better than the returns obtained by NBG.

Further conflicts could arise once the Company and other affiliates have made the Company's and their respective investments. For example, if a portfolio company goes into bankruptcy or reorganisation, becomes insolvent or otherwise experiences financial distress or is unable to meet its payment obligations or comply with covenants relating to securities held (directly or indirectly through a private equity fund) by the Company or by the other affiliates, such other affiliates may have an interest that conflicts with the interests of the Company. If additional financing is necessary as a result of financial or other difficulties, it may not be in the best interests of the Company to provide such additional financing. If the other affiliates were to lose their respective investments as a result of such difficulties, the ability of the Investment Manager to recommend actions in the Company's best interests might be impaired.

Sales of securities for the Company's account may be bunched or aggregated with orders for other accounts of NBG. It is frequently not possible to receive the same price or execution on the entire volume of securities sold, and the various prices may be averaged, which may be disadvantageous to the Company.

***Other activities and relationships of members of the Investment Committee and the Investment Manager's investment professionals might give rise to certain conflicts of interest with the Company.***

The members of the Investment Committee and the Investment Manager's investment professionals will serve as members of the boards of directors of various companies and may participate in other activities outside of NBG. Conflicts of interest with respect to the Company may arise as a result of such activities. The possibility exists that the companies with which one or more of those individuals is involved could engage in transactions which would be suitable for the Company, but in which the Company might be unable to invest. Members of the Investment Committee and the Investment Manager's investment professionals responsible for the Company's management and administration will also manage and perform services for other funds managed by the Investment Manager.

***Other activities of the Investment Manager may give rise to other conflicts with respect to the management time, services or other functions the Investment Manager performs for the Company.***

The Investment Manager will continue to devote such time as shall be necessary to conduct the affairs of the Company. Such activities may include evaluating and making investments and dispositions, and monitoring investments. Other activities of the Investment Manager, its affiliates and its management personnel, including activities related to other private equity funds or accounts that they may manage, may require it to devote substantial amounts of their time to matters unrelated to the business of the Company. Additionally, other persons involved with the Company, including members of the Investment Committee and the Investment Manager's investment professionals will have other responsibilities for

NBG. Conflicts of interest may arise in allocating management time, services or functions, and the Investment Manager's investment professionals' ability to access other professionals and resources within NBG for the Company's benefit as described in this document may be limited. In addition, such access may be limited by the internal compliance policies of NBG or other legal or business considerations, including those constraints generally discussed herein.

### **Risks Relating to Taxation**

#### ***Changes in taxation legislation may adversely affect the Company and ZDP Shareholders.***

Any change in the Company's tax status, or in taxation legislation or practice in any relevant jurisdiction, could affect the value of the Company's assets and its ability to achieve its investment objective and pay the Final Capital Entitlement to ZDP Shareholders. Such changes could also affect the tax treatment of the ZDP Shares and the Final Capital Entitlement.

Subject to what follows, statements in this document concerning the taxation of ZDP Shareholders are based upon current tax law and published practice in the jurisdictions covered, which law and practice is, in principle, subject to change that could be adverse to ZDP Shareholders. In respect of the UK offshore fund rules, statements in this document also take into account the legislation found in the Finance Act 2009, which provides for a new definition of an "offshore fund" and which takes effect from 1 December 2009. The advice that the Directors have received in relation to the new definition of an "offshore fund" is based upon an interpretation of the new definition that HM Revenue & Customs may not necessarily agree with. That interpretation is based, in part, upon HM Revenue & Customs' guidance which at the time of writing has been published in draft format only.

## IMPORTANT INFORMATION

**The attention of existing and potential investors is drawn to the “Risk Factors” set out on pages 11 to 29 of this document.**

**Investment in the Company will involve certain risks and special considerations. Existing and potential investors should be able and willing to withstand the loss of their entire investment. The investments of the Company are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur.**

### General

This document has been produced for the purpose of the ZDP Placing and Offer for Subscription and seeking admission to trading of the ZDP Shares on the SFM and CISX. In making an investment decision regarding the ZDP Shares offered, investors must rely on their own examination of the Company, including the merits and risks involved in an investment in the ZDP Shares. The ZDP Placing and Offer for Subscription is being made solely on the basis of this document.

The ZDP Shares are only suitable for existing and potential investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the ZDP Shares would be of a long-term nature and constitutes part of a diversified investment portfolio and who understand and are willing to assume the risks involved in investing in the Company and the ZDP Shares.

No representation or warranty, express or implied, is made by the Placing Agent as to the accuracy, completeness or verification of the information set forth in this document, and nothing contained in this document is, or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. The Placing Agent does not assume any responsibility for its accuracy, completeness or verification and accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

The Placing Agent is acting for the Company and no-one else in connection with the ZDP Placing and Offer for Subscription and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the ZDP Issue, this document or any other matter.

In connection with the ZDP Placing and Offer for Subscription, Placing Agent and any of its respective affiliates acting as an investor for its or their own account(s) may subscribe for and/or purchase ZDP Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the ZDP Shares, any other securities of the Company or other related investments in connection with the ZDP Placing and Offer for Subscription or otherwise. Accordingly, references in this document to the ZDP Shares being offered, subscribed, acquired or otherwise dealt with should read as including any offer to, or subscription, acquisition or dealing by the Placing Agent and any of its respective affiliates acting as an investor for its or their own account(s). The Placing Agent does not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.

No broker, dealer or other person has been authorised by the Company, its Directors or the Placing Agent to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of the ZDP Shares, other than those contained in this document and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company, its Directors or the Placing Agent.

Existing and potential investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Existing and potential investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption

or other disposal of Shares, (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Shares that they might encounter, and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of Shares. Existing and potential investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in Guernsey, England and Wales and the United States and are subject to changes therein. Prospective investors should assume that the information appearing in this document is accurate only as of the date on the front cover of this document, regardless of the time of delivery of the document or of any offer or sale of the ZDP Shares. The business, financial condition and prospects of the Company could have changed since that date. The Company expressly disclaims any duty to update this document except as required by applicable law.

This document should be read in its entirety before making any investment in the Company. All prospective Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles.

### **Netherlands Financial Supervision Act**

The Dutch securities market is regulated by the Netherlands Financial Supervision Act which implements the relevant EU directives and regulations including, in particular, the Prospectus Directive, the Transparency Directive and the Market Abuse Directive and regulations issued pursuant to such directives.

Pursuant to Article 2:65 of the Netherlands Financial Supervision Act, it is prohibited to offer participations in a collective investment scheme (*beleggingsinstelling*) in the Netherlands if the manager (or, if the collective investment scheme does not have a manager, the investment institution itself) has not been granted a license by the AFM, unless an exception, exemption or individual dispensation applies. Pursuant to Article 2:66 of the Netherlands Financial Supervision Act, a foreign collective investment scheme is excepted from the offering prohibition if such collective investment scheme is actually subject to supervision in the country where it has its statutory seat and the level of supervision of that country is considered “adequate” by the Dutch Minister of Finance. By Ministerial Decree of 13 November 2006, as most recently amended on 16 June 2008, in respect of the accreditation of states as referred to in Article 2:66 FMSA, Guernsey was accredited by the Dutch Minister of Finance to have such adequate supervision of closed-end funds. Therefore, under the Netherlands Financial Supervision Act, the Company and the Investment Manager are excepted from the requirement to obtain a licence from the AFM to offer participations in the Netherlands for so long as Guernsey is deemed to have “adequate supervision” of closed-end funds. The Company is registered with the AFM under Article 1:107 of the Netherlands Financial Supervision Act.

Irrespective of the exception set forth above, the Company remains subject to certain ongoing requirements under the Netherlands Financial Supervision Act and the rules promulgated thereunder, such as the Decree on Supervision of Conduct by Financial Enterprises (*Besluit Gedragstoezicht financiële ondernemingen Wft*) and the Decree on the Implementation Directive Transparency Issuing Entities (*Besluit uitvoeringsrichtlijn transparantie uitgevende instellingen Wft*) relating to the disclosure of certain information to investors, including the publication of the Company’s financial statements.

### **Track Record Data**

This document contains track record data of the Investment Manager related to the performance of its other primary funds of funds vehicles. References to the Investment Manager’s track record reflect the performance of the Investment Manager’s predecessors. When considering the track record data presented in this document, potential investors should bear in mind that the historical results may not be indicative of the results that existing and potential investors should expect from the Company’s or the ZDP Shares’ future performance. Investors are recommended to read carefully the risk factors set out on pages 11 to 29 of this document.

## Forward-Looking Statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and dividend policy of the Company and the markets in which it, and its Investment Portfolio invest and, where applicable, issue securities. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition and liquidity of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to:

- the risk factors in the section headed “Risk Factors” in this document;
- changes in economic conditions generally and the Company’s ability to achieve its investment objective and returns on equity for investors;
- changes in the Company’s business strategy and the audited financial history of the Company not being indicative of its future performance;
- the Company’s ability to invest the cash on its balance sheet and the proceeds of the ZDP Placing and Offer for Subscription in suitable investments on a timely basis;
- changes in interest rates and/or credit spreads, as well as the success of the Company’s investment strategy in relation to such changes and the management of the uninvested proceeds of the ZDP Placing and Offer for Subscription;
- impairments in the value of the Company’s investments;
- the availability and cost of capital for future investments;
- competition within the industries in which the Company seeks to invest;
- the departure of key members employed by the Investment Manager;
- the termination or failure of the Investment Manager to perform its obligations under the Investment Management and Services Agreement with the Company;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations, that are applicable to the Company’s business or companies in which the Company makes investments; and
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this document.

Although the Company and the Investment Manager undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Directive, Prospectus Rules or Disclosure and Transparency Rules of the AFM, or rules of the CISX), whether as

a result of new information, future events, conditions or circumstances, any change in the Company's or the Investment Manager's expectations with regard thereto or otherwise, ZDP Shareholders are advised to consult any communications made directly to them by the Company and/or any additional disclosures through announcements that the Company may make through a RIS.

### **Selling Restrictions**

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for ZDP Shares by any person in the United States or in any jurisdiction (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

### ***European Economic Area***

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer of ZDP Shares described in this document may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the ZDP Shares that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of securities may be offered to the public in that Relevant Member State at any time:

- to any legal entity that is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of ZDP Shares described in this document located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive.

For purposes of this provision, the expression an "offer to the public" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This document may not be used for, or in connection with, and does not constitute, any offer of ZDP Shares or an invitation to purchase or subscribe for ZDP Shares in any Member State or jurisdiction in which such an offer or invitation would be unlawful.

### ***United States***

The Company has not been and will not be registered under the US Investment Company Act. In addition, the ZDP Shares have not been and will not be registered under the US Securities Act. The ZDP Shares are only being offered outside the United States to non-US persons in reliance on the exemption from registration provided by Regulation S under the US Securities Act. The ZDP Shares may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, US Persons. The ZDP Shares may only be resold or transferred in accordance with the restrictions set forth under paragraph 5.7 on pages 84 to 86 of this document.

### *General*

The Company is a Guernsey company, and its registered office and administrative activities and a substantial portion of its assets are located outside the United States. In addition (with the exception of Mr. Buser and Mr. Von Lehe), all of the Company's directors and officers are residents of Guernsey and (with the exception of Mr. Buser and Mr. Von Lehe) all or a substantial portion of the assets of these persons are or may be located outside the United States. As a result, it may be difficult for overseas investors to effect service of process within the United States upon the Company or these persons or to enforce outside the United States judgments against the Company or these persons obtained in the United States in any action, including actions predicated upon the civil liability provisions of the securities laws of the United States or any state or other jurisdiction within the United States.

Prospective investors should note that ZDP Shares may not be acquired by investors using assets of (i) an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title I of ERISA, but excluding plans maintained outside the US that are described in Section 4(b)(4) of ERISA), (ii) a plan, individual retirement account or other arrangement that is described in Section 4975 of the US Tax Code (whether or not such plan, account or arrangement is subject to Section 4975 of the US Tax Code), (iii) an insurance company using general account assets, if such general account assets are deemed to include assets of any of the foregoing types of plans, accounts or arrangements for purposes of Title I of ERISA or Section 4975 of the US Tax Code, or (iv) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code.

If 25 per cent. or more of any class of equity in the Company is owned, directly or indirectly, by US Plan Investors that are subject to ERISA or Section 4975 of the US Tax Code, the assets of the Company will be deemed to be "plan assets", subject to the constraints of ERISA and Section 4975 of the US Tax Code. If this happens, transactions involving the assets of the Company could be subject to the fiduciary responsibilities of ERISA, the prohibited transaction provisions of ERISA and Section 4975 of the US Tax Code and, among other things, the fiduciary of a plan subject to ERISA that is responsible for the plan's investment in the Shares could be liable for any ERISA violations by the Directors or Manager.

## DIRECTORS AND ADVISERS

### Directors

Talmay Morgan (*Chairman*)  
John Buser  
John Hallam  
Christopher Sherwell  
Peter Von Lehe

### Financial Adviser, Placing Agent and Broker

Oriel Securities Limited  
125 Wood Street  
London EC2V 7AN  
United Kingdom

### Administrator, Company Secretary and Designated Manager

Heritage International Fund Managers Limited  
Heritage Hall, Le Marchant Street  
St. Peter Port  
Guernsey GY1 4HY  
Channel Islands

### Registrar

Capita Registrars (Guernsey) Limited  
Longue Hougue House  
St Sampson  
Guernsey GY2 4JN  
Channel Islands

### Legal Advisers (as to Netherlands law)

Stibbe N.V.  
Stibbetoren  
Strawinskylaan 2001  
1070 ZZ Amsterdam  
Netherlands

### Legal Advisers (to the Placing Agent)

Lawrence Graham  
4 More London Riverside  
London SE1 2AU  
United Kingdom

### CISX Sponsor

Heritage Corporate Services Limited  
Heritage Hall  
P.O. Box 225  
Le Marchant Street  
St. Peter Port  
Guernsey GY1 4HY  
Channel Islands

### Registered Office

NB Private Equity Partners Limited  
Heritage Hall  
P.O. Box 225  
Le Marchant Street  
St. Peter Port  
Guernsey GY1 4HY  
Channel Islands

### Investment Manager

NB Alternatives Advisers LLC  
325 North St. Paul Street, Suite 4900  
Dallas, TX 75201  
United States of America

### Fund Service and Record-Keeping Agent

Capital Analytics II LLC  
325 North St. Paul Street, Suite 4700  
Dallas, TX 75201  
United States of America

### Solicitors (as to English law)

Herbert Smith LLP  
Exchange House, Primrose Street  
London EC2A 2HS  
United Kingdom

### Advocates (as to Guernsey law)

Carey Olsen  
PO Box 98  
Carey House  
Les Banques  
St Peter Port  
Guernsey GY1 4BZ  
Channel Islands

### Auditor

PricewaterhouseCoopers CI LLP  
P.O. Box 321  
National Westminster House  
Le Truchot  
St. Peter Port  
Guernsey GY1 4ND  
Channel Islands

### Receiving Agent

Capita Registrars Limited  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU  
United Kingdom

## ZDP PLACING AND OFFER FOR SUBSCRIPTION STATISTICS

The following illustrative financial statistics are based on, and should be read in conjunction with, the Assumptions set out on pages 49 to 51 of this document. Prospective investors should note that the actual outcomes can be expected to differ from these illustrations. The illustrations are not guarantees of future performance and involve certain risks and uncertainties that are hard to predict. The attention of prospective investors is also drawn to the risk factors set out on pages 11 to 29 of this document.

### ZDP Shares

|   |                 |
|---|-----------------|
| Issue Price per ZDP Share   | 100 pence       |
| Final Capital Entitlement per ZDP Share   | 169.73 pence    |
| Redemption Yield at Issue Price   | 7.30 per cent.  |
| Initial Cover for the ZDP Shares at Admission                                       | 3.75 times      |
| Final Cover for the ZDP Shares as at Admission                                      | 3.20 times      |
| Minimum Hurdle Rate to return the Final Capital Entitlement per ZDP Share per annum | -11.5 per cent. |
| Minimum Hurdle Rate to repay the Issue Price per ZDP Share per annum                | -14.5 per cent. |
| Wipe-out Hurdle rate per ZDP Share per annum  | -20.4 per cent. |

Please refer to Part I of this document for details of the Assumptions on which the above statistics are based.

## EXPECTED TIMETABLE

All references to times in the expected timetable are to UK times. All future times and dates in the expected timetable and in this document may be adjusted by the Company. Any changes to the timetable will be notified by publication of a notice through a RIS.

|  |                                   |
|--|-----------------------------------|
| Latest time for receipt of Application Forms under the Offer for Subscription                    | 1500 hours on<br>24 November 2009 |
| Latest time for receipt of placing commitments under the ZDP Placing                             | 1300 hours on<br>25 November 2009 |
| Announcement of ZDP Placing and Offer for Subscription results                                   | 0800 hours on<br>26 November 2009 |
| Admission and unconditional dealings in the ZDP Shares to commence on the SFM and CISX           | 1 December 2009                   |
| CREST Accounts credited against payment in respect of the ZDP Placing and Offer for Subscription | 1 December 2009                   |
| Certificates despatched for the ZDP Shares   | From 4 December 2009              |

## PART I

### THE COMPANY AND THE ZDP SHARE ISSUE

#### **The Company**

NB Private Equity Partners Limited is a closed-end limited liability investment company registered and incorporated under the laws of Guernsey on 22 June 2007, with registration number 47214 and is registered with the AFM. The Company is managed by NB Alternatives Advisers LLC, an indirect wholly owned subsidiary of NBG. Further information in relation to the Investment Manager and NBG is set out below under the heading “Investment Manager”.

The Class A Shares have been admitted to trading on Euronext Amsterdam since 18 July 2007 and the SFM since 30 June 2009. As at 30 September 2009 (the latest practicable date prior to the publication of this document), the Company had an unaudited NAV of US\$449.0 million.

The Company’s investment objective is to produce attractive returns on its capital from its private equity investments while managing investment risk through portfolio diversification across asset class, vintage year, geography, industry and leading private equity fund manager.

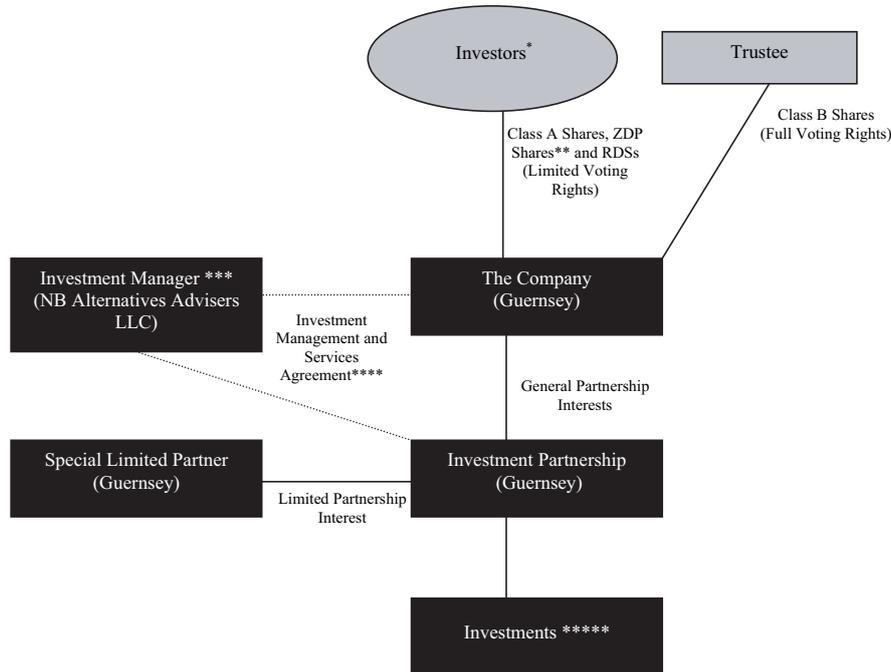
The Investment Manager makes all of the Company’s investment decisions and controls the day-to-day management and operations of the Company’s business. The Investment Manager’s investment decisions are made by the Investment Committee and the sourcing and evaluation of the Company’s investments is conducted by the Investment Manager’s team of approximately 50 investment professionals who specialise in private equity fund investments and co-investments.

In addition, the Investment Manager’s administrative and finance staff of approximately 125 professionals will be responsible for the Company’s administrative, financial management and reporting needs. The Investment Manager currently maintains offices in New York, Dallas, London and Hong Kong.

The Company is seeking to issue up to 50,000,000 ZDP Shares which will be admitted to trading on the SFM and the CISX. Application has been made to the LSE and the CISX for the ZDP Shares to be admitted to trading on the SFM and the CISX, respectively.

## Organisational Structure

The chart below sets out the ownership, organisational and investment structure of the Company. This chart should be read in conjunction with the accompanying explanation of the Company’s ownership, organisational and investment structure and the information set out below under the heading “Investment Manager” and further information on the Company set out under Part VI of this document.



\* US investors that purchased in the Initial Global Offering hold their Class A Shares in RDS form. The Class A Shares have certain voting rights, but are not eligible to vote in the election of the Directors. Please refer to paragraph 5.4 of Part VI for further information.

\*\* ZDP Shares will be issued to investors pursuant to the ZDP Placing and Offer for Subscription. ZDP Shares will be subject to the provisions set out under paragraph 5 of Part VI of this document and the Articles.

\*\*\* A carried interest will be distributed to the Special Limited Partner. Please refer to the section below headed “Payment of Management Fees, Carried Interest and Other Expenses” for further information. NBG and members of the Investment Manager’s investment team will share distributions through ownership interests in the Special Limited Partner.

\*\*\*\* The Company and the Investment Partnership have jointly and severally entered into the Investment Management and Services Agreement with the Investment Manager. Please refer to the sections headed “Investment Manager” and “Material Contracts” for further information.

\*\*\*\*\* Investments may be held by the Investment Partnership directly or indirectly through its subsidiaries.

### ***Investment Partnership***

The Company is the General Partner of, and makes and holds all of its investments through, the Investment Partnership. Each of the Company and the Investment Partnership has, pursuant to the Investment Management and Services Agreement, appointed the Investment Manager to manage and invest the assets of the Company and the Investment Partnership in accordance with the investment objective, strategy and process described below under the heading “Investment Strategy”.

The Investment Partnership is a limited partnership that was formed and registered with Her Majesty’s Greffier in Guernsey under the Partnership Law with registration number 839 on 2 July 2007. The General Partner holds a 99.9 per cent. stake in the Investment Partnership and the Special Limited Partner holds the remaining stake of 0.1 per cent. The Investment Partnership will continue as a limited partnership unless the partnership is terminated or dissolved in accordance with the Investment Partnership Agreement.

### ***Special Limited Partner***

The Special Limited Partner is a Guernsey limited partnership, the general partner of which is an affiliate of the Investment Manager. The Special Limited Partner is entitled to receive the carried interest distributions from the Investment Partnership. Interests in the Special Limited Partner are held by certain members of the Investment Manager's investment team and NBG. Mr. Von Lehe and Mr. Buser hold interests in the Special Limited Partner.

### ***Trustee***

The Trustee is an authorised person holding a full fiduciary licence under The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, as amended. The Trustee holds 100 per cent. of the Company's Class B Shares. As a result of its holding of the Company's Class B Shares, the Trustee has the right to elect all of the Directors and to make other decisions usually made by a company's shareholders (although the Investment Manager has right to designate two of the Directors). The Trustee is an affiliate of the Administrator.

## **Investment Strategy**

### ***Investment Objective***

The Company's investment objective is to produce attractive returns on its capital from its private equity investments while managing investment risk through portfolio diversification. The Company classifies attractive investment returns as those that meet the Investment Manager's expectations in light of the Company's investment strategy. The Company maintains a private equity portfolio composed of primary investments in private equity fund investments, co-investments and secondary investments. The Company's private equity investments consist principally of investments in buyouts, and may also include investments in special situations (including distressed debt, credit strategies and turnaround strategies) and venture capital (including growth capital). The Company's private equity investments may be made directly or through other vehicles. The Company's private equity investments may also include investments in securities commonly used in private equity transactions that the Investment Manager reasonably deems consistent with the Company's investment objective and strategy. The Company may also make opportunistic investments from time to time in accordance with its investment policies as determined by the Investment Manager. The Company intends to maintain portfolio diversification across private equity asset class, vintage year, geography, industry and sponsor. The portfolio mix of the Company and its diversification criteria may change from time to time in accordance with the recommendations of the Investment Manager.

The Company may invest in private equity funds directly or indirectly by making commitments to funds of funds, co-investments and secondary funds. Any investment made in a primary fund of funds, co-investment fund or secondary fund managed by the Investment Manager will be excluded from the Management Fee calculation under the Investment Management and Services Agreement. For further information in relation to the Investment Management and Services Agreement, please refer to paragraph 8.1 in Part VI of this document.

For details of how the investment objective of the Company may be amended, please refer to paragraph 5.4.6(G) of Part VI of this document.

### ***Market Outlook***

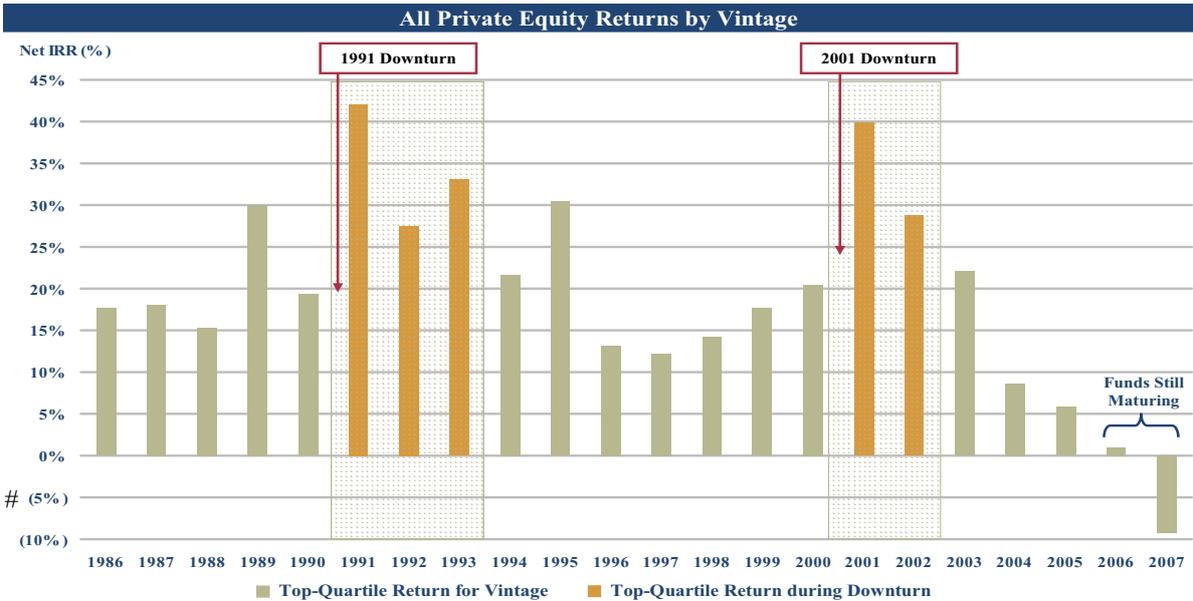
Beginning in mid-2007 and continuing through early 2009, the global securities markets underwent a significant correction highlighted by a plunge in debt and equity security prices, severe lack of liquidity in the credit markets, and deteriorating economic fundamentals. In a previously unprecedented fashion, the governments of numerous nations are utilising various monetary and fiscal measures to help stimulate the ailing global economy and induce liquidity back into the markets. While the ongoing turmoil has created difficult challenges for many market participants, it has also created numerous and highly attractive opportunities for investors with private capital that have an intermediate to long-term investment outlook.

Strong private equity firms that have available capital, skill and resolve may generate extraordinary performance in funds raised over the next several years. This is due to many factors which include: (i) the potential to acquire businesses and securities at deeply discounted prices; (ii) the ability to be prudent and selective with regard to investment opportunities due to multi-year investment periods; (iii) the potential to drive significant operating improvements in undermanaged businesses; and (iv) the potential to capitalise on the highly compelling distressed opportunities that currently abound in the marketplace.

Over the next five years the Investment Manager believes that there will be a significant opportunity to invest in highly attractive private equity opportunities across the United States, Europe and Asia. The Investment Manager’s investment selection criteria puts significant weight on a manager’s ability to profitably invest capital across economic cycles and to take advantage of changing market environments.

During the selection of new investments made by the Company, the Investment Manager intends to place additional emphasis on fund managers that have significant experience in down cycles and those that are well suited to the current market environment. As illustrated in the graph below, historically private equity funds that begin investing during or immediately after an economic downturn demonstrate higher returns than funds that begin investing during other time periods. This pattern is caused by several factors, including the ability of private equity firms to purchase companies at relatively lower valuation multiples on depressed EBITDA levels and then sell the companies at higher valuation multiples on higher EBITDA levels as the economy improves.

The chart below illustrates that over the last 22 years, five of the strongest performing private equity fund vintages were for funds raised during an economic downturn (1991, 1992, 1993, 2001 and 2002).



Note: The information above relates to the performance of the private equity asset class as a whole and does not represent the performance of the Company or the Investment Manager. Historical trends and past performance do not predict, imply or guarantee future performance or results.

Source: Top quartile returns data per Cambridge Associates US Private Equity Index as of 31 March 2009. This data is provided by Cambridge Associates at no charge.

The Investment Manager believes that a number of potentially attractive special situations investment opportunities are accessible in the current market environment and will continue to be available over the next several years. Special situations encompasses a broad range of strategies including investing in distressed, undervalued securities, financial restructurings, operational turnarounds, asset liquidations, and “rescue” financings. In addition, special situations includes quasi-equity investments that may include a blend of debt and equity investments (e.g. mezzanine). The supply of these opportunities is generally greatest during market dislocations and economic downturns, and distressed debt and turnaround investors tend to be most active, and generate outsized returns, during these periods. The opportunity set available to distressed investors has increased dramatically amidst the recent market and

economic turmoil, and the Investment Manager believes that experienced distressed and turnaround investors that have skill, patience and capital are well positioned to achieve highly attractive risk-adjusted returns over the next number of years.

Opportunities exist across the special situations landscape including those involving investments in liquid distressed securities, financial restructurings, operational turnarounds, asset liquidations, “rescue” financings and mezzanine debt. Notably, the Investment Manager believes that the current distressed environment will last longer than those of many previous down cycles with default rates rising over time. In addition, hundreds of billions of dollars of debt securities from 2006 – 2008 financing transactions will need to be refinanced over the next five years which may significantly extend the distressed cycle.

### ***Private Equity Investments***

The Company has made and intends to make further primary investments in new private equity funds of high-quality private equity sponsors. The Company believes that the private equity sponsors who have been successful investors in the past frequently continue to outperform their peers. By investing in the private equity funds of such sponsors, the Company believes it will have access to such sponsors’ expertise and investments. The Company will continue to seek to diversify its investments over time by selecting private equity sponsors with different or complementary strategies across private equity asset class, geography and industry. In addition, the Company believes that by maintaining a portfolio of premier private equity funds, it will have the opportunity to invest in a diversified portfolio of underlying companies.

Secondary investments have a number of benefits, including providing visibility into the underlying investments in a private equity portfolio, as opposed to a blind pool, which is typical of primary private equity fund investments. Secondary transactions may also involve the purchase of private equity fund interests several years after the private equity fund was raised, allowing the secondary buyer to benefit in other ways, including: avoiding management fees paid prior to the acquisition of the secondary fund interest; purchasing a mature portfolio that may distribute cash relatively faster or be currently making distributions; and potentially purchasing fund interests at a discount to net asset value.

Co-investments include purchasing interests in private equity portfolio companies alongside financial sponsors. Co-investment opportunities are frequently offered with no management fees or carried interest at the level of the underlying investment, allowing the Company to reduce its investment cost in such opportunities.

The Company, on the advice of the Investment Manager, continues to believe that the Investment Manager’s global private equity platform, with investment professionals based in New York, Dallas, London and Hong Kong, which also benefits from the broader NBG platform, generates high quality primary, secondary and co-investment opportunities, which are screened and reviewed by the Investment Manager’s dedicated primary, secondary and co-investment teams for potential placement in the Investment Manager’s dedicated primary, secondary and co-investment funds. The Company’s ability to participate in any of these investment opportunities is subject to the Investment Manager’s internal allocation procedures.

The Investment Manager also expects to continue to invest in attractive private equity opportunities which may not be effectively accessed through traditional private equity partnership structures. These opportunities may include high expected return investments with durations that are either longer or shorter than traditional private equity investments.

### ***Opportunistic Investments and Over-commitment Strategy***

In addition to the investments described above, the Company may continue from time to time to selectively make opportunistic investments in other areas that offer an attractive risk/return profile in areas where NBG or the Investment Manager has expertise. These investments will not exceed 10 per cent. of the Company’s total exposure without approval from a majority of the Board, the Class A Shareholders and the Class B Shareholders.

When appropriate, the Company pursues an “over-commitment” strategy when managing its Investment Portfolio in order to maximise the amount of its capital that is invested at any given time. In following an over-commitment strategy, the aggregate amount of the Company’s unfunded private equity commitments at a given time may exceed the aggregate amount of cash that the Company has available for immediate investment. The Company employs this strategy because private equity funds typically draw down their committed capital over a three-to-six-year period. On an ongoing basis, the Company funds its capital commitments primarily through cash on hand, realisations of investments and borrowings under the Credit Facility.

### ***Investment Restrictions***

The exercise by the Board of any and all powers granted to it are subject to the restrictions set forth in the Memorandum and Articles, including the restrictions and limitations relating to the Company’s investment policies, and must be exercised in a manner consistent therewith. Changes to the Company’s investment objectives and guidelines require the approval of the Class B Shareholder and a majority of the Board.

### ***Credit Facility***

A key component of the Company’s over-commitment strategy is the Credit Facility. The Company continues to believe that the Credit Facility provides it with a ready source of long-term capital to: meet future capital calls; provide additional flexibility to make investments, particularly during periods when the Company is not receiving cash distributions or proceeds from its investments; and enhance the Company’s investment returns by reducing the amount of its capital that is invested in cash and short-term investments with lower expected returns than private equity.

The term of the Credit Facility is seven years and expires in August 2014. Under the terms of the Credit Facility, the Company may borrow, repay and re-borrow to fund private equity commitments and working capital requirements. All borrowings under the Credit Facility bear interest at a floating rate, calculated as LIBOR or Euribor, as appropriate, plus 1.35 per cent. per annum. The Company is also required to pay a non-utilisation fee calculated as 40 basis points per annum on the daily balance of the unused amount of the Credit Facility.

The Credit Facility is secured by a substantial portion of the Company’s assets and those of the Investment Partnership. The Credit Facility contains certain investment restrictions on the use of capital drawn-down thereunder, including customary conditions precedent to borrowing, certain financial ratios and covenants (including a maximum debt to value ratio of 50 per cent.) and customary events of default. As at 30 September 2009, the Company had US\$116.7 million of outstanding borrowings under the Credit Facility and was in compliance with all financial covenants. For further information in relation to the Credit Facility, please refer to paragraph 8.3 in Part VI of this document.

For further information in relation to the Company’s borrowing powers, please refer to paragraph 5.6 of Part VI of this document.

### ***Liquidity and Capital Resources***

The principal sources of the Company’s liquidity consist of the net cash proceeds of cash distributions from investments, sales of investments, interest and dividends earned on invested cash and investments, and borrowings under the Credit Facility. Cash distributions received by the Investment Partnership are reinvested or passed to the Investment Partnership and/or the Special Limited Partner in accordance with the Investment Partnership Agreement.

As at 30 September 2009, the Company had total capital resources of US\$204.5 million, comprised of US\$71.2 million of cash and cash equivalents and US\$133.3 million of undrawn capacity on the Credit Facility.

As at 30 September 2009, the Company had unfunded private equity commitments of US\$158.2 million. Therefore, the Company’s total capital resources exceeded the amount of unfunded private equity commitments by US\$46.3 million.

## Investment Portfolio

As at 30 September 2009, the Investment Portfolio consisted of 39 private equity fund investments, including five funds of funds managed by the Investment Manager, and 17 direct co-investments with an aggregate unaudited estimated fair value of US\$491.2 million. The Investment Portfolio has exposure to over 2,300 underlying portfolio companies and is broadly diversified across asset class, vintage year, geography, industry and leading private equity fund manager.

The Company believes that construction of a diversified Investment Portfolio with proper allocation weights has an important influence on the achievement of higher risk-adjusted returns. Diversification across private equity asset class, vintage year, geography, industry and fund manager plays a large role in the Company's strategy by seeking to reduce the risk of the Investment Portfolio while enhancing the ability to profit from these opportunities.

In constructing the Investment Portfolio, the Investment Manager embraced strategic points of view with regard to certain asset classes and sectors within private equity. An important aspect of the Investment Manager's strategy since the Initial Global Offering was to increase the Company's allocation to special situations investments (primarily distressed debt, turnaround and restructuring strategies). In light of the recent economic environment, the Investment Manager believes that special situations investments are well-positioned to capitalise on distressed investment opportunities and generate attractive risk-adjusted returns over the long term. From the closing of the Initial Global Offering through July 2008 (the date of the last primary commitment), the Company committed approximately US\$101.2 million to new special situations investments. As at 30 September 2009, the Company's allocation to special situations funds and co-investments had increased to approximately 28 per cent. of the Investment Portfolio based on unaudited estimated fair value.

The Company reached full investment in the fourth quarter of 2008. With the investment level of the Company currently over 100 per cent. of capital committed, the Company believes that, in conjunction with the effective operation of the Credit Facility (see below for further details), the existing private equity Investment Portfolio is well-positioned to generate attractive returns over the long-term. The Credit Facility ensures that the Company retains coverage for all capital commitments which it makes.

### *Investment Portfolio Summary as at 30 September 2009 by Investment (unaudited)*

The following table presents summary information concerning the Investment Portfolio as at 30 September 2009 (the latest practicable date prior to the publication of this document).

| <i>Fund Investments</i>             | <i>Asset Class</i> | <i>Principal Geography</i> | <i>Vintage Year</i> | <i>Estimated Fair Value (US\$ in millions)</i> | <i>Unfunded Commitments (US\$ in millions)</i> | <i>Total Exposure (US\$ in millions)</i> |
|-------------------------------------|--------------------|----------------------------|---------------------|--|--|--|
| AIG Highstar Capital II             | Mid-cap Buyout     | US                         | 2004                | 3.5  | 0.1  | 3.5                                      |
| American Capital Equity II          | Mid-cap Buyout     | US                         | 2005                | 3.9  | 1.5  | 5.3                                      |
| Apollo Investment Fund V            | Large-cap Buyout   | US                         | 2001                | 12.0   | 1.5  | 13.5                                     |
| Aquiline Financial Services Fund    | Mid-cap Buyout     | US                         | 2005                | 2.5  | 2.2  | 4.7                                      |
| ArcLight Energy Partners Fund IV    | Mid-cap Buyout     | US                         | 2007                | 13.0   | 5.9  | 18.9                                     |
| Avista Capital Partners             | Mid-cap Buyout     | US                         | 2006                | 16.0   | 2.1  | 18.1                                     |
| Bertram Growth Capital I            | Growth Equity      | US                         | 2007                | 9.9  | 7.9  | 17.8                                     |
| Carlyle Europe Partners II          | Large-cap Buyout   | Europe                     | 2003                | 5.7  | 0.3  | 6.0                                      |
| Centerbridge Credit Partners        | Special Situations | US                         | 2008                | 24.6   | —  | 24.6                                     |
| Clayton, Dubilier & Rice Fund VII   | Large-cap Buyout   | US                         | 2005                | 21.2   | 2.0  | 23.2                                     |
| Clessidra Capital Partners          | Mid-cap Buyout     | Europe                     | 2004                | 3.7  | 0.7  | 4.5                                      |
| Corsair III Financial Services      |                    |                            |                     |  |  |  |
| Capital Partners                    | Mid-cap Buyout     | Global                     | 2007                | 6.5  | 2.7  | 9.2                                      |
| CVI Global Value Fund               | Special Situations | Global                     | 2006                | 12.9   | 0.8  | 13.6                                     |
| Doughty Hanson & Co IV              | Large-cap Buyout   | Europe                     | 2003                | 3.5  | 0.3  | 3.8                                      |
| First Reserve Fund XI               | Large-cap Buyout   | US                         | 2006                | 17.9   | 5.7  | 23.7                                     |
| Investitori Associati III           | Mid-cap Buyout     | Europe                     | 2000                | 2.1  | 0.6  | 2.7                                      |
| J.C. Flowers II                     | Large-cap Buyout   | Global                     | 2006                | 3.4  | 0.4  | 3.8                                      |
| KKR 2006 Fund                       | Large-cap Buyout   | Global                     | 2006                | 17.8   | 7.5  | 25.3                                     |
| KKR Millennium Fund                 | Large-cap Buyout   | Global                     | 2002                | 10.8   | —  | 10.8                                     |
| Lightyear Fund II                   | Mid-cap Buyout     | US                         | 2006                | 4.5  | 4.2  | 8.7                                      |
| Madison Dearborn Capital Partners V | Large-cap Buyout   | US                         | 2006                | 5.6  | 1.8  | 7.4                                      |

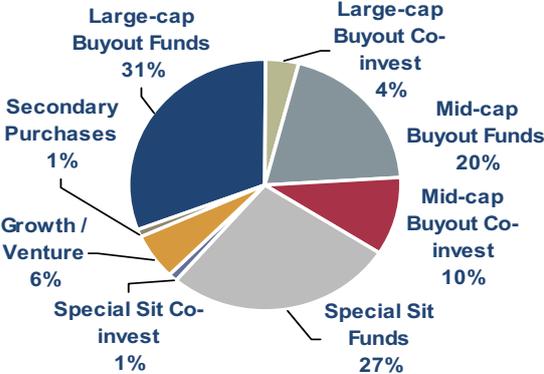
| <i>Fund Investments</i>                          | <i>Asset Class</i> | <i>Principal Geography</i> | <i>Vintage Year</i> | <i>Estimated Fair Value (US\$ in millions)</i> | <i>Unfunded Commitments (US\$ in millions)</i> | <i>Total Exposure (US\$ in millions)</i> |
|--|--------------------|----------------------------|---------------------|--|--|--|
| NB Crossroads Fund XVII                          | Diversified        | US                         | 2002 – 2006         | 30.6   | 8.7  | 39.3                                     |
| NB Crossroads Fund XVIII                         |                    |                            |                     |  |  |  |
| Large-cap Buyout                                 | Large-cap Buyout   | Global                     | 2005 – 2009         | 7.2  | 4.2  | 11.4                                     |
| NB Crossroads Fund XVIII                         |                    |                            |                     |  |  |  |
| Mid-cap Buyout                                   | Mid-cap Buyout     | Global                     | 2005 – 2009         | 19.5   | 17.4   | 36.8                                     |
| NB Crossroads Fund XVIII                         |                    |                            |                     |  |  |  |
| Special Situations                               | Special Situations | Global                     | 2005 – 2009         | 6.6  | 2.4  | 9.0                                      |
| NB Crossroads Fund XVIII                         |                    |                            |                     |  |  |  |
| Venture Capital                                  | Venture / Growth   | US                         | 2006 – 2009         | 5.7  | 4.2  | 9.9                                      |
| OCM Opportunities Fund VIIb                      | Special Situations | US                         | 2008                | 30.8   | 6.0  | 36.8                                     |
| OCM Principal Opportunities Fund IV              | Mid-cap Buyout     | US                         | 2007                | 20.0   | —  | 20.0                                     |
| Platinum Equity Capital Partners II              | Special Situations | US                         | 2007                | 5.5  | 11.4   | 16.9                                     |
| Prospect Harbor Credit Partners                  | Special Situations | US                         | 2007                | 9.8  | —  | 9.8                                      |
| Sankaty Credit Opportunities III                 | Special Situations | US                         | 2007                | 19.2   | —  | 19.2                                     |
| Summit Partners Europe Private Equity Fund       | Growth Equity      | Europe                     | 2009                | 0.2  | 6.9  | 7.1                                      |
| Sun Capital Partners V                           | Special Situations | US                         | 2007                | 1.5  | 8.3  | 9.8                                      |
| Terra Firma Capital Partners III                 | Large-cap Buyout   | Europe                     | 2007                | 5.6  | 13.5   | 19.1                                     |
| Thomas H. Lee Equity Fund VI                     | Large-cap Buyout   | US                         | 2006                | 11.3   | 12.2   | 23.5                                     |
| Trident IV                                       | Mid-cap Buyout     | US                         | 2007                | 3.0  | 2.0  | 5.0                                      |
| Warburg Pincus Private Equity VIII               | Large-cap Buyout   | Global                     | 2001                | 8.0  | —  | 8.0                                      |
| Wayzata Opportunities Fund II                    | Special Situations | US                         | 2007                | 18.8   | 3.7  | 22.5                                     |
| Welsh, Carson, Anderson & Stowe X                | Large-cap Buyout   | US                         | 2005                | 15.9   | 3.0  | 18.9                                     |
| <b>Total Fund Investments</b>                    |                    |                            |                     | <u>US\$420.4</u>                               | <u>US\$151.9</u>                               | <u>US\$572.2</u>                         |
| <b>Direct Co-investments*</b>                    |                    |                            |                     |  |  |  |
| Avaya, Inc.                                      | Large-cap Buyout   | US                         | 2007                |  |  |  |
| Dresser Holdings, Inc.                           | Mid-cap Buyout     | US                         | 2007                |  |  |  |
| Edgen Murray Corporation                         | Mid-cap Buyout     | US                         | 2007                |  |  |  |
| Energy Future Holdings Corp. (TXU Corp.)         | Large-cap Buyout   | US                         | 2007                |  |  |  |
| First Data Corporation                           | Large-cap Buyout   | US                         | 2007                |  |  |  |
| Firth Rixson, plc (Equity)                       | Mid-cap Buyout     | Europe                     | 2007/2008           |  |  |  |
| Firth Rixson, plc (Mezzanine)                    | Special Situations | Europe                     | 2008                |  |  |  |
| Freescale Semiconductor, Inc.                    | Large-cap Buyout   | US                         | 2006                |  |  |  |
| GazTransport & Technigaz S.A.S.                  | Mid-cap Buyout     | Europe                     | 2008                |  |  |  |
| Group Ark Insurance Holdings Limited             | Mid-cap Buyout     | Global                     | 2007                |  |  |  |
| Kyobo Life Insurance Co., Ltd.                   | Mid-cap Buyout     | Asia                       | 2007                |  |  |  |
| Press Ganey Associates, Inc.                     | Mid-cap Buyout     | US                         | 2008                |  |  |  |
| Sabre Holdings Corporation                       | Large-cap Buyout   | US                         | 2007                |  |  |  |
| Seventh Generation, Inc.                         | Growth Equity      | US                         | 2008                |  |  |  |
| TPF Genco Holdings, LLC                          | Mid-cap Buyout     | US                         | 2006                |  |  |  |
| Unión Radio                                      | Mid-cap Buyout     | Global                     | 2008                |  |  |  |
| <b>Total Direct Co-investments</b>               |                    |                            |                     | <u>US\$70.8</u>                                | <u>US\$6.4</u>                                 | <u>US\$77.2</u>                          |
| <b>Total Private Equity Investment Portfolio</b> |                    |                            |                     | <u>US\$491.2</u>                               | <u>US\$158.2</u>                               | <u>US\$649.4</u>                         |

\* Co-investment values are given on an aggregate-only basis. No single co-investment comprises more than 4.0 per cent. of total NAV.

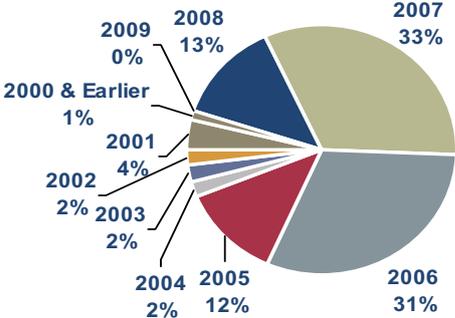
**Investment Portfolio Diversification Summary as at 30 September 2009 by Asset Class and Investment Type, Vintage Year, Geography and Industry**

The pie charts below illustrate the breakdown of the Company’s private equity Investment Portfolio based on unaudited estimated fair value as at 30 September 2009 (the latest practicable date prior to the publication of this document).

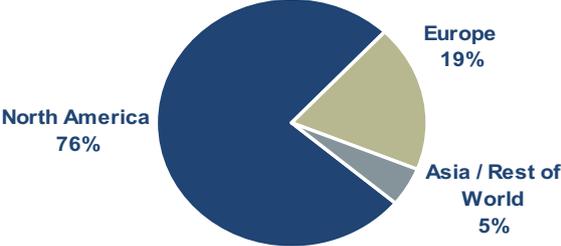
**Asset Class and Investment Type**



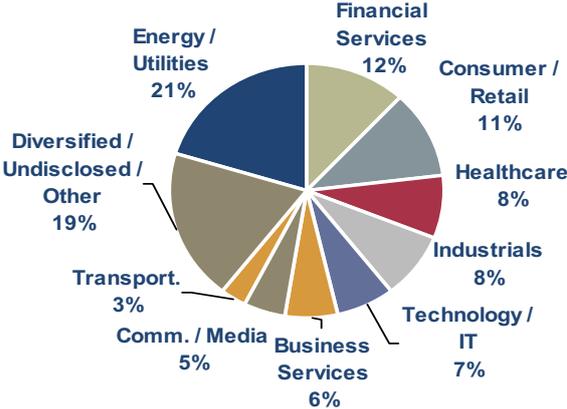
**Vintage Year of Fund or Co-investment**



**Geography**



**Industry**



**The Company’s Performance Track Record**

After the Initial Global Offering in July 2007, the Company’s NAV per Class A Share increased by approximately 8.5 per cent. from US\$10.00 at the time of the Initial Global Offering to US\$10.85 at 30 June 2008. However, the economic downturn and the financial crisis of late 2008 and early 2009 had a negative impact on the value of the Investment Portfolio. As a result, the NAV per Class A Share decreased from US\$10.85 at 30 June 2008 to US\$7.79 at 31 March 2009. Since the first quarter of 2009, the NAV per Class A Share increased by approximately 13 per cent. to US\$8.79 per Class A Share at 30 September 2009. During the six month period from 31 March 2009 to 30 September 2009, the Investment Portfolio increased in value principally due to the Company’s allocation to special situations investments. The Company’s special situations investments appreciated in value by approximately 35 per cent. from 31 March 2009 to 30 September 2009.

Despite the decline in NAV during the second half of 2008 and the first quarter of 2009, the Company’s NAV performance since the Initial Global Offering compares favourably to its peer group in the listed private equity fund of funds sector. The table below sets out the NAV per Class A Share total return performance of the Company compared to the average NAV per share total return performance of the

Listed Private Equity Fund of Funds Peer Group.\* On a relative basis, the Company has significantly outperformed the Listed Private Equity Fund of Funds Peer Group\* over the period since the Initial Global Offering, over the twelve months to 30 September 2009 and over the nine month period ended 30 September 2009.

| <i>NAV per Share Total Return Comparison</i>               | <i>Incorporation to 30 September 2009</i> | <i>30 September 2008 to 30 September 2009</i> | <i>Nine Months Ended 30 September 2009</i> |
|--|---|---|--|
| NB Private Equity Partners Limited                         | (12.1%)                                   | (12.2%)                                       | 7.2%                                       |
| Average of Listed Private Equity Fund of Funds Peer Group* | <u>(17.9%)</u>                            | <u>(24.5%)</u>                                | <u>(12.4%)</u>                             |
| <b>Relative Outperformance of the Company (+/-)</b>        | <u>+5.8%</u>                              | <u>+12.3%</u>                                 | <u>+19.6%</u>                              |

\* The Listed Private Equity Fund of Funds Peer Group comprises Castle Private Equity AG, Conversus Capital, L.P., F&C Private Equity Trust plc, Graphite Enterprise Trust plc, HarbourVest Global Private Equity Limited, J.P. Morgan Private Equity Limited, Pantheon International Participations plc, Princess Private Equity Holding Limited and Standard Life European Private Equity Trust plc. The NAV per share total return performance of each member of the Listed Private Equity Fund of Funds Peer Group is based on the reporting currency of each member and incorporates the most recently reported NAV per share as of each respective date, including any dividends or cash distributions paid during each respective period.

Please refer to the financial information set out under Part IV of this document for further information on the Company's performance track record.

### ***Investment Portfolio Activity***

At the time of the Initial Global Offering, the Company was approximately 47 per cent. invested in private equity assets. After the Initial Global Offering, the Company's investment level increased as new commitments were completed and capital calls and direct co-investments were funded. By the fourth quarter of 2008, the Company reached full investment, and as of 30 September 2009, the Company's Investment Portfolio represented 109 per cent. of NAV.

The tables below summarises the Company's investment activity since inception.

| <i>Investments Funded</i>                | <i>Fund Investments (US\$ in millions)</i> | <i>Direct Co-investments (US\$ in millions)</i> | <i>Total (US\$ in millions)</i> |
|--|--|---|---------------------------------|
| Inception through 31 December 2007       | 135.5                                      | 30.6  | 166.1                           |
| 1 January 2008 through 31 December 2008  | 175.7                                      | 14.9  | 190.6                           |
| 1 January 2009 through 30 September 2009 | <u>37.1</u>                                | <u>1.1</u>                                      | <u>38.2</u>                     |
| <b>Total Investments Funded</b>          | <u><u>          </u></u>                   | <u><u>          </u></u>                        | <u><u>US\$394.9</u></u>         |

| <i>Distributions Received</i>            | <i>Fund Investments (US\$ in millions)</i> | <i>Direct Co-investments (US\$ in millions)</i> | <i>Total (US\$ in millions)</i> |
|--|--|---|---------------------------------|
| Inception through 31 December 2007       | 16.4                                       | 3.5   | 19.9                            |
| 1 January 2008 through 31 December 2008  | 37.4                                       | 12.8  | 50.2                            |
| 1 January 2009 through 30 September 2009 | <u>15.6</u>                                | <u>2.2</u>                                      | <u>17.7</u>                     |
| <b>Total Distributions Received</b>      | <u><u>          </u></u>                   | <u><u>          </u></u>                        | <u><u>US\$87.8</u></u>          |

### ***Recent Commitments***

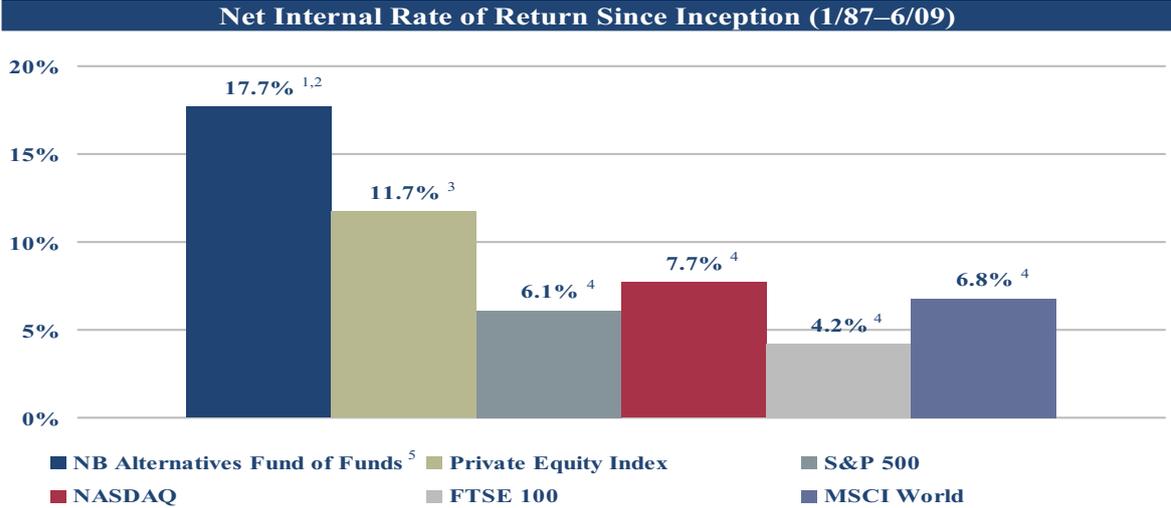
During October 2009, the Company agreed to co-invest alongside NBG's secondary fund in the purchase of a portfolio of private equity fund investments and co-investments at a discount to net asset value. The portfolio is well diversified by asset class, vintage year and private equity fund manager, and will provide the Company with a total private equity exposure of US\$7.4 million. The transaction has not yet closed.

### ***Investment Manager's Track Record***

The Investment Manager, including its predecessor entities, has achieved an annual, compounded net internal rate of return of 17.7 per cent. on its privately managed fund accounts focused on primary private equity fund investments during the period since its inception in 1987 through 30 June 2009.

When considering the track record data presented in this prospectus, investors should bear in mind that past performance is not necessarily indicative of future results and, as a result, the actual returns of the Investment Portfolio may be greater or less than the amounts shown below and as set out elsewhere in this document. In addition, the Company is a closed-end investment company and the performance data presented in this document for the Investment Manager, as well as the private equity index performance data, relate principally to funds structured as self-liquidating partnerships and in which investor contributions were made only when the underlying fund made an actual investment.

The following chart presents comparative information relating to the Investment Manager’s track record and certain other public and private equity investment indices. The performance information for the Investment Manager is net of the Investment Manager’s management fees, expenses and carried interests, as well as all management fees, expenses and carried interests at the level of the underlying funds.



Note: Indices not adjusted for currency exchange rates.

Although the Company believes that the track record presented may be considered as evidence of the Investment Manager’s overall investment experience, the track record should not be taken to represent the same investment program to be pursued by the Company.

1. The performance information presented (the “PI”) is derived from the financial statements of the Investment Manager’s primary fund of funds vehicles and managed accounts (each a “Fund Account”) and their underlying partnerships. The PI includes Fund Accounts managed by the Investment Manager and its predecessor entities (the “Predecessors”), the oldest of which was founded in 1981. NBG and its affiliates are the successor to all of the Predecessors’ operational assets, and employ substantially all of their key personnel, and the Investment Manager became either the advisor or sub-advisor to the Fund Accounts previously advised by the Predecessors. Investment decisions for the Fund Accounts are made by the Investment Committee. The Investment Committee currently consists of nine voting members, all of whom served on the Investment Committee of the Predecessors immediately prior to the acquisition by NBG. Consequently, the Investment Manager continues to determine its investment advice with respect to Fund Accounts through substantially the same consensus decision-making group that was utilised by the Predecessors.
2. The PI presented is based upon the most recent estimates of Fund Account net asset value as 30 June 2009. The PI is net of the Investment Manger’s fees, expenses and carried interest, is a composite, does not represent the performance of any one Fund Account, and does not equate with the returns experienced by an investor in any particular Fund Account as a result of differences in the nature, timing and terms of investments. The PI does not include Fund Accounts that focus on secondary private equity investments or co-investments. If secondary and co-investment Fund Accounts were included, the since inception aggregate IRR ending 30 June 2009, net of fees and expenses, is 15.7 per cent. The capital flows between a Fund Account and its investors and the investors’ capital account balance on the date of the calculation are utilised to calculate the PI. The PI does not include the performance of recent Fund Accounts that commenced in 2007 or later, as these Fund Accounts are too early in their investment cycle to have meaningful performance information. Certain Fund Accounts included in the PI consist of capital contributed by employees and affiliates and do not have fees, expenses, or carried interest. The PI also includes primary private equity fund commitments made for investment purposes by an internal fund of funds whose sole investors were the Predecessors and their employees, which commitments were selected prior to the acquisition of the Predecessors by current and former members of the Investment Committee. The PI does not include other private equity fund investments made by the Predecessors or NBG for strategic purposes.
3. Thomson Venture Economics’ US Private Equity Performance Index is based on statistics as of 30 June 2009 published by Thomson Venture Economics’ Private Equity Performance Database analysing the cash flows and returns for approximately 1,998 US venture capital and private equity funds having an aggregate capital commitment of approximately US\$930.9 billion to such funds. The Thomson data is compiled from information provided to Thomson by limited partner investors and general partners of such partnerships and are not independently verified by Thomson or the Investment Manager. Returns are net to

investors after management fees, expenses and carried interests at the underlying fund level, but, since the data is collected in respect of underlying funds, the index does not reflect the impact on returns of fund of funds level management fees, expenses and carried interests. The Thomson data presented measure performance of the applicable index since 1 January 1987. The investment strategies of the funds included in the Thomson index are in some cases not the same as those in which the Investment Manager's funds and accounts directly or indirectly invested.

4. Source: Bloomberg L.P. The Standard & Poor's 500 ("S&P 500") is a basket of 500 widely-held stocks that is weighted by market value. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ National Market. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007, the MSCI World Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The FTSE 100 Index (Financial Times Stock Exchange Index) is a share index of the 100 most highly capitalised UK companies listed on the LSE. Returns for the public stock indices are based upon simple market price appreciation of an investment in the index beginning on 31 December 1986. The return is a 90-quarter annualised performance number. Public market returns, other than MSCI World, exclude all dividends including both payment of dividends to an investor in the index and reinvestment of dividends in the index. Public market returns for MSCI World include all dividend payments to an investor in the index and exclude reinvestment of dividends in the index. The foregoing indices are not an indication of the Company's nor the Investment Manager's expected returns.
5. References to the Investment Manager include the Predecessors, the assets of which are presently owned by the Investment Manager, and NBG and its affiliated companies.

### **Rationale for ZDP Placing and Offer for Subscription and Use of Proceeds**

The Directors believe that the issue of the new class of ZDP Shares will be beneficial for the Company for a number of reasons.

- The Company's capital position is currently strong with excess capital resources over unfunded commitments of US\$46.3 million at 30 September 2009.
- An issue of ZDP Shares would further enhance the Company's capital position and would provide additional resources to enable the Investment Manager to take advantage of current market opportunities without affecting the Company's conservative capital structure and commitment coverage.
- The Directors believe that a number of potentially attractive investment opportunities, including secondary and distressed investments, are accessible in the current market environment and that opportunities for attractive investments will continue to be available over the next two years.
- The Directors believe that the Company's existing private equity Investment Portfolio is well-positioned to generate attractive returns over the long term and that the ZDP Issue is expected to be accretive to Class A Shareholders over the long term.

### **Description of ZDP Shares**

#### ***Summary of rights attaching to the ZDP Shares***

The ZDP Shares will have a life of 7.5 years maturing on 31 May 2017 and a Final Capital Entitlement of 169.73 pence per ZDP Share on the ZDP Repayment Date, equivalent to a GRY of 7.30 per cent. per annum based on the Issue Price. On the basis of the Assumptions, the ZDP Shares will have an Initial Cover of 3.75 times and a Final Cover of 3.20 times. The denomination of the ZDP Shares is pounds Sterling.

The Final Capital Entitlement will rank behind any bank debt of the Group, including the Credit Facility, but in priority to the capital entitlements of the Class A Shares and Class B Shares. The ZDP Shares carry no entitlement to income, whether by way of dividend or otherwise, therefore the whole of their return takes the form of capital. On a winding up of the Company the ZDP Shareholders shall be entitled to be paid an amount equal to 100 pence per ZDP Share as increased each day up to and including 31 May 2017 at such rate compounded daily as will give the Final Capital Entitlement of 169.73 pence per ZDP Share on the ZDP Repayment Date. For further information on the rights attaching to ZDP Shares, please refer to the summary of the Memorandum and Articles under paragraph 5 of Part VI of this document.

Potential investors should note that the GRY of a ZDP Share is not and should not be taken as a forecast of profits and that a Final Capital Entitlement amount of 169.73 pence per ZDP Share is not a guaranteed or secured repayment amount, nor is there any guarantee that the Final Capital Entitlement of the ZDP Shares will be repaid in full on the ZDP Repayment Date. Whether or not the Final Capital Entitlement is paid in full on the ZDP Repayment Date is dependent on the Company having sufficient assets to make such payments at the relevant time.

The ZDP Shares do not carry the right to vote at general meetings of the Company, although they carry the right to vote as a class on certain proposals which would be likely materially to affect their position. Provided that the Cover Test is satisfied (and subject to such further provisions of the Articles as may be applicable), the Company may issue further securities of any class.

Prospective investors should note that, based on the Assumptions, the Final Capital Entitlement would not be repaid in full on the ZDP Repayment Date if the rate of return in the Gross Assets following issue of the ZDP Shares was -11.5 per cent. or less per annum. ZDP Shareholders would receive no Final Capital Entitlement on the ZDP Repayment Date if the annual growth in the Gross Assets was -20.4 per cent. or less per annum over 7.5 years.

The figures in the preceding paragraph are based on the Assumption that Total Gross Proceeds of £50 million are raised under the ZDP Placing and Offer for Subscription. The table below illustrates, based on the Assumptions, the Final Capital Entitlement, Initial Cover, Final Cover, Minimum Hurdle Rate and Wipe-out Hurdle Rate in relation to the actual achieved Total Gross Proceeds.

|   | <i>Total Gross Proceeds (£ millions)</i> |             |             |             |             |
|---|--|-------------|-------------|-------------|-------------|
|   | <i>30.0</i>                              | <i>35.0</i> | <i>40.0</i> | <i>45.0</i> | <i>50.0</i> |
| <b><i>Final Capital Entitlement (pence)</i></b>                       | 169.73                                   | 169.73      | 169.73      | 169.73      | 169.73      |
| <b><i>Initial Cover for the ZDP Shares at Admission</i></b>           | 5.86x                                    | 5.10x       | 4.54x       | 4.10x       | 3.75x       |
| <b><i>Final Cover for the ZDP Shares at Admission</i></b>             | 4.95x                                    | 4.32x       | 3.86x       | 3.49x       | 3.20x       |
| <b><i>Minimum Hurdle Rate to return Final Capital Entitlement</i></b> | -13.8%                                   | -13.2%      | -12.6%      | -12.0%      | -11.5%      |
| <b><i>Minimum Hurdle Rate to repay initial Issue Price</i></b>        | -16.0%                                   | -15.6%      | -15.2%      | -14.8%      | -14.5%      |
| <b><i>Wipe-out Hurdle Rate</i></b>                                    | -19.9%                                   | -20.0%      | -20.1%      | -20.3%      | -20.4%      |

### ***Currency Hedging***

The majority of the Company's investments constituting the Investment Portfolio are denominated in US\$. In order to pay the Final Capital Entitlement on the ZDP Repayment Date the Company will be required to exchange US\$ for Sterling. As such, the Company intends to enter into a currency hedging arrangement (the "**Currency Hedging Agreement**") under which the Company will seek to protect a significant proportion of the aggregate Final Capital Entitlement from movements in the US Dollar and Sterling exchange rates. It is expected that the Company will enter into the Currency Hedging Agreement shortly after Admission; however, no assurance or guarantee is given that the Company will enter into such agreement or if such agreement will be agreed on favourable terms. Further, no guarantee or assurance is given as to the effectiveness of the Currency Hedging Agreement or if such agreement will achieve its purpose.

### ***Assumptions***

Set out below are the principal bases and Assumptions used in calculating the illustrative financial statistics contained in the sections headed "Summary", "Risk Factors" and "ZDP Placing and Offer for Subscription Statistics" and Part I of this document in relation to the ZDP Shares. For the avoidance of doubt, the Assumptions have not been used in preparing the working capital statement set out in paragraph 12 of Part VI of this document.

There can be no guarantee that the Assumptions set out below will be realised. In particular, the amounts raised by the ZDP Placing and Offer for Subscription may differ from the assumed amounts; market gains or losses between publication of this document and Admission will affect the amount of the Company's

assets at Admission; costs will be incurred in investing the net proceeds of the ZDP Placing and Offer for Subscription; annual running expenses of the Company may exceed the assumed level; and exchange rate differences may prove material. Accordingly, no reliance should be placed on the illustrative financial statistics derived from the Assumptions set out below. The attention of prospective investors is also drawn to the risk factors set out on pages 11 to 29 of this document. The Assumptions used are:

- On 30 September 2009 (the latest practicable date prior to publication of this document) the Company had 51,059,592 Class A Shares outstanding and gross assets of US\$571.9 million, drawn borrowings under the Credit Facility were US\$116.7 million, undrawn borrowings under the Credit Facility were US\$133.3 million, net assets were US\$449.0 million and the NAV per Class A Share was US\$8.79.
- Total Gross Proceeds of £50 million are raised pursuant to the ZDP Placing and Offer for Subscription by the issue of 50 million ZDP Shares at 100 pence per ZDP Share.
- The total estimated cost of implementing the ZDP Placing and Offer for Subscription is £1.0 million (including, where applicable, value added tax).
- No allowance is made for the costs of investing the net proceeds of the ZDP Placing and Offer for Subscription.
- Sums outstanding under the Credit Facility as at 30 September 2009 are required to be repaid prior to any repayment being made on the ZDP Shares
- The investment returns, assets and liabilities, cash flows and principal accounting entries of the Company are projected through the 7.5 years to 31 May 2017.
- A US Dollar: Sterling exchange rate of 1.67.
- Interest expense and investment income are excluded from the Initial Cover and Final Cover ratio calculations.
- The annual running expenses of the Company (including, where applicable, irrecoverable value added tax thereon but excluding interest) are approximately US\$10.2 million per annum and are treated as a cost for the purposes of calculating the Final Cover.
- The capital accrual of a ZDP Share is 7.30 per cent. per annum, compounded daily from 1 December 2009 (the anticipated date of Admission) up to (but excluding) the ZDP Repayment Date. The Final Capital Entitlement of 169.73 pence per ZDP Share is payable on 31 May 2017.
- The Initial Cover is calculated as the ratio of the net assets of the Company as at 30 September 2009, plus the net proceeds of the ZDP Placing and Offer for Subscription, to the assets required to pay the Final Capital Entitlement.
- The Final Cover is calculated as the ratio of the net assets of the Company as at 30 September 2009, plus the net proceeds of the ZDP Placing and Offer for Subscription and less future estimated annual costs (this consists of US\$10.2 million per annum of operating costs), to the sum of the assets required to pay the Final Capital Entitlement and estimated redemption costs of US\$0.2 million. The estimated expenses of the Company used in the calculation cover the period from 30 November 2009 up to (but excluding) the ZDP Repayment Date.
- The Wipe-out Hurdle is calculated as the required annual growth rate of Gross Assets resulting in no Final Capital Entitlement being paid on the ZDP Repayment Date.
- The Minimum Hurdle Rate is calculated as the required annual growth rate of Gross Assets to pay either (a) the Final Capital Entitlement in full or (b) the initial Issue Price.
- There are no changes to the number of ZDP Shares in issue between Admission and the ZDP Repayment Date.

- No capital gains tax is payable by the Company in Guernsey; no other changes occur in any relevant taxation law and practice; and the allocation of certain expenses to the capital reserve results in a notional transfer of tax relief from the revenue account to the capital reserve in accordance with the Association of Investment Companies' Statement of Recommended Practice.
- There are no changes to generally accepted accounting practices relevant to the Company.
- The Company has an indefinite life.

### **Valuation Methodology**

The Company carries its private equity investments on its books at fair value using the best information it has reasonably available to determine or estimate fair value.

Publicly traded securities are valued based on quoted prices as at the last day of the relevant period less discounts to reflect legal restrictions, if any, that affect marketability. The Company determines such values for publicly traded securities held directly as well as known public positions held in the underlying private equity investments on a look-through basis.

The Company estimates fair value for private interests based on a methodology that begins with the most recent information available from the general partner of the underlying fund or the lead investor of a direct co-investment, and considers subsequent transactions, such as drawdowns or distributions, as well as other information judged to be reliable that reports or indicates valuation changes, including realisations and other portfolio company events.

The Company proactively revalues its investments before it has received updated information from the fund manager or lead sponsor if it becomes aware of material events that justify a change in valuation.

### **Valuation Reporting Policy**

The NAV is calculated by the Investment Manager and published monthly with the relevant valuation point being the last Business Day of each calendar month. Each monthly NAV is published through an RIS within seven Business Days of such month end.

The Company publishes an annual report and audited financial statements on an annual basis with the relevant valuation point being 31 December. The annual report and audited financial statements are available on the Company's website approximately 45 to 80 Business Days following the relevant fiscal year end. The Company also publishes interim management reports on a quarterly basis with the relevant valuation points being 31 March, 30 June and 30 September. These reports are available on the Company's website approximately 30 to 45 Business Days following the relevant quarter end.

### **Dividend Policy**

The Company does not intend to pay dividends to Shareholders, although the Company may elect to do so in the future. In the event that the Company does elect to pay dividends in the future, the actual amount and timing of any dividends will always be subject to the discretion of the Directors.

**For the avoidance of doubt, ZDP Shares carry no right to the payment of dividends by the Company. ZDP Shares carry a right to payment of the Final Capital Entitlement (if available) only on the ZDP Repayment Date.**

### **Share Capital Structure and Offer of ZDP Shares**

As at 13 November 2009 (the latest practicable date prior to the publication of this document), the issued share capital of the Company consisted of 51,059,592 Class A Shares (excluding 3,150,408 Class A Shares held in treasury) and 10,000 Class B Shares. As at 30 September 2009 (the latest practicable date prior to the publication of this document), the unaudited NAV per Class A Share was US\$8.79.

As at 30 September 2009 (the latest practicable date prior to the publication of this document), the Company had cash deposits of US\$71.2 million and had drawn down US\$116.7 million pursuant to the terms of the Credit Facility.

## PART II

### MANAGEMENT

#### **Directors**

Details of the current Directors of the Company are set out below:

#### ***Talmi Morgan, Chairman (Guernsey)***

Talmi Morgan qualified as a barrister in the United Kingdom in 1976. He moved to Guernsey in 1988 where he worked for Barings as general counsel and then for the Bank of Bermuda as managing director of Bermuda Trust (Guernsey) Limited. From January 1999 to June 2004, Mr. Morgan was director of Fiduciary Services and Enforcement at the Guernsey Financial Services Commission (Guernsey's financial regulatory agency) where he was responsible for the design and subsequent implementation of Guernsey's law relating to the regulation of fiduciaries, administration businesses and company directors. Mr. Morgan was also involved in working groups of the Financial Action Task Force and the Offshore Group of Banking Supervisors. From July 2004 to May 2005, Mr. Morgan served as chief executive of Guernsey Finance, which is the official body for the promotion of the Guernsey finance industry. Mr. Morgan is now the Chairman or a non-executive director of a number of investment-companies including companies listed on the LSE. He holds an M.A. in economics and law from University of Cambridge.

#### ***John P. Buser (Dallas)***

John P. Buser is Global Head of Private Equity Fund of Funds for NB Alternatives and a Managing Director of NBG. He is also a member of the Investment Committee, the NB Alternatives Co-investment Investment Committee and the NB Alternatives Secondary Investment Committee. Before joining NB Alternatives in 1999, Mr. Buser was a partner at the law firm of Akin, Gump, Strauss, Hauer & Feld, L.L.P., where he had extensive experience in the practice of domestic and international income taxation during his 17 year tenure. Mr. Buser was admitted to the State Bar of Texas in 1982 after receiving his J.D. from Harvard Law School. Prior to attending law school, Mr. Buser graduated *summa cum laude* with a B.S. in accounting from Kansas State University and became certified by the Missouri State Board of Accountancy.

#### ***Peter J. Von Lehe, (New York)***

Peter J. Von Lehe is a Managing Director of NBG and a member of the Investment Committee. Previously, Mr. Von Lehe was a Managing Director and Deputy Head of the Private Equity Fund of Funds unit of Swiss Reinsurance Company. At Swiss Re, Mr. Von Lehe was responsible for investment analysis and product structuring and worked in both New York and Zurich. Before that, he was an attorney with the law firm of Willkie Farr & Gallagher LLP in New York focusing on corporate finance and private equity transactions. He began his career as a financial analyst for a utility company, where he was responsible for econometric modelling. Mr. Von Lehe has served on the advisory committees of a number of private equity funds in the United States and Europe. Mr. Von Lehe received a B.S. with Honors in Economics from the University of Iowa and a J.D. with High Distinction, from the University of Iowa College of Law. He is a member of the New York Bar.

#### ***John E. Hallam (Guernsey)***

John E. Hallam is a fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. Previously, Mr. Hallam was a partner at PricewaterhouseCoopers and retired in 1999 after 27 years with the firm in Guernsey and in other countries. Mr. Hallam is currently chairman of Cazenove Absolute Equity Ltd, EFG Private Bank (Channel Islands) Ltd, Partners Group Global Opportunities Ltd and Prodesse Investment Ltd. He is also a director of a number of other financial services companies, some of which are listed on the LSE. Mr. Hallam served for many years as a member and latterly chairman of the Guernsey Financial Services Commission, from which he retired in 2006.

### ***Christopher Sherwell (Guernsey)***

Christopher Sherwell is a non-executive director of a number of investment-related companies. Mr. Sherwell was managing director of Schroders (C.I.) Limited from April 2000 to January 2004. He remained a non-executive director of Schroders (C.I.) Limited until he stepped down at the end of December 2008. His other directorships include chairmanship of Goldman Sachs Dynamic Opportunities Limited, a fund of hedge funds, and of the Hermes Commodities Umbrella Fund. Before joining Schroders in 1993, he worked as Far East regional strategist with Smith New Court Securities in London and then in Hong Kong. Mr. Sherwell was previously a journalist, working for the Financial Times. Mr. Sherwell received a B.Sc. (Gen) from the University of London in 1968, an M.A. from the University of Oxford in 1971 and an M.Phil. from the University of Oxford in 1973.

A list of the current and past directorships held by the directors in the past 5 years is set out on pages 88 to 91 of this document. Alternatively, an up-to-date list of current and past directorships held by the directors in the past 5 years is available on request from the Administrator.

### **Corporate Governance and Voting Rights**

The Board consists of five members, three of which are required to be independent of NBG. The right to elect the Company's entire Board is exercised by the Trustee, an entity independent of NBG. As a result of its holding of the Class B Shares, the Trustee has the right to elect all of the Directors and to make other decisions usually made by a company's shareholders.

The Company complies, and intends to continue to comply, in all material respects with the corporate governance requirements which are applicable to the Company under Guernsey law.

The Class A Shares, RDSs and ZDP Shares carry certain limited voting rights (including the right to dissolve or wind-up the Company (subject to additional limitations in the case of ZDP Shares)), but will not be eligible to vote in the election of the Directors. For further information on the voting rights applicable to each class of Shares, please refer to paragraph 5.4 in Part VI of this document.

### ***Audit Committee***

The audit committee is chaired by Mr. Hallam and is required to consist of not fewer than three Directors. The audit committee is responsible for:

- the Company's accounting and reporting processes;
- the integrity and audits of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the performance of the Investment Manager under the Investment Management and Services Agreement;
- the compliance of the investments selected by the Investment Manager with the Company's investment policy; and
- the qualifications, performance and independence of the Company's auditors.

### ***Remuneration Committee***

The Company does not have a remuneration committee and is not required to do so under Guernsey law.

For further information, please refer to the Articles, a summary of which is set out under paragraph 5 in Part VI of this document. Potential investors should note the potential conflicts of interest inherent to the structure of the Company. Potential investors are encouraged to read carefully the information set out under the heading "Risk Relating to Conflicts of Interests" on pages 25 to 29 of this document.

## **Investment Partnership**

The Company is the general partner of the Investment Partnership and is responsible for managing its business and affairs. Pursuant to the Investment Management and Services Agreement, the Company has delegated substantially all of its duties, rights and powers as general partner of the Investment Partnership to the Investment Manager. As a result, the business and affairs of the Investment Partnership are carried out by the Investment Committee. For further information, please refer to the organisational structure of the Company on pages 38 to 39 and paragraph 8.5 of Part VI of this document.

## **Investment Manager**

NB Alternatives Advisers LLC, a limited liability company established and organised in Delaware on 19 February 2009 under the Delaware Limited Liability Company Act (6 Del. C. § 18-101 et. seq.) as amended from time to time and whose registered number is 4655810, has been appointed as the Investment Manager of the Company and the Investment Partnership under the terms of the Investment Management and Services Agreement. The registered address of the Investment Manager is 325 North St. Paul Street, Suite 4900, Dallas, TX 75201, United States of America and the telephone number is +1 214 647 9593. For information on the fees payable pursuant to the Investment Management and Services Agreement, please refer to paragraph 8.1 of Part VI of this document.

## **Recent Events**

On 4 May 2009, NBG announced the completion of an employee-led buyout, creating one of the world's largest private, independent money managers with approximately US\$169 billion in assets under management for institutions and individuals as of 30 September 2009.

Concurrent with the buyout of NBG, the Investment Manager changed from Lehman Brothers Private Fund Advisers, LP to NB Alternatives Advisers LLC. NB Alternatives Advisers LLC acquired substantially all of the assets of Lehman Brothers Private Fund Advisers, LP, including all of the investment professionals involved in managing the Investment Portfolio (the "**Neuberger Transaction**"). The Company continues to be managed by substantially the same experienced management team and the Investment Manager remains committed to the goal of creating long term value for Shareholders.

NBG is now majority-owned by an employee group consisting of portfolio managers and senior professionals of the newly independent company. NBG's previous owner, Lehman Brothers Holdings Inc., retains the remainder of the ownership.

Established in 1939 and based in New York City, NBG has approximately 1,600 employees, including more than 250 investment professionals, and is a leader in providing a broad range of global investment solutions – equity, fixed income, and alternatives – to institutions and individuals through customised separately managed accounts and funds.

The Directors believe the key strengths of the Investment Manager to include:

- *Broad Experience*

The Investment Manager (including its predecessor entities) has more than 20 years of experience in private equity investing, including with respect to private equity funds (primary and secondary investments) and co-investments and currently manages over US\$10 billion of private equity commitments. Decisions by the Investment Manager regarding the Company's investment strategy are made by the Investment Committee, whose members have over 175 years of combined private equity investment experience. The sourcing and evaluation of the Company's investments is conducted by the Investment Manager's team of approximately 50 investment professionals who specialise in private equity fund investments and co-investments. In addition, the Investment Manager's administrative and finance staff of approximately 125 professionals are responsible for the Company's administrative, financial management and reporting needs.

- *Access to Leading Private Equity Sponsors*

The Investment Manager (including its predecessor entities) has built strong industry relationships with leading private equity sponsors over more than 20 years of private equity investing.

- *Strong Long Term Track Record*

The Investment Manager, including its predecessor entities, has achieved an annual, compounded net internal rate of return of 17.7 per cent. since inception in 1987 through 30 June 2009 on its privately managed fund accounts focused on primary private equity fund investments.

- *Premier Portfolio Construction with Tactical Asset Allocation*

The Investment Manager's experience in investing across multiple economic cycles offers rare insight and a competitive advantage in portfolio management and asset allocation. Over the past two years, the Investment Manager increased the Company's exposure to special situations investments (primarily distressed debt, turnaround and restructuring strategies), in advance of the current credit crisis, thereby positioning the Investment Portfolio to capitalise on opportunities presented by the current state of the credit markets.

- *Rigorous Due Diligence and Investment Selection Process*

The Investment Manager employs a rigorous and thorough due diligence process that it has developed and refined over more than 20 years of private equity investing. Each aspect of analysing the team, strategy, historical investment performance and internal processes of a private equity firm includes both qualitative and quantitative analyses. From the highly quantitative and detailed analysis of unrealised portfolio company valuations to an in-depth and extensive examination of historical performance attribution, the due diligence process allows the Investment Manager to identify managers with a demonstrated ability to produce consistently strong returns.

Investment opportunities are typically discussed at Investment Committee meetings over several weeks or months, and all investment team members are encouraged to participate. This forum provides for significant resource sharing, feedback and ongoing diligence requests that the Investment Manager believes ultimately leads to better decision making. The Investment Committee operates on a unanimous approval basis, helping to ensure that every investment gets a full and impartial analysis.

- *Dedicated Secondary and Co-investment Capabilities*

The Investment Manager has distinct and dedicated secondary and co-investment teams that provide robust deal flow, investment judgment and deal execution skills, which offers an additional competitive advantage over other private equity fund of funds managers. The secondary team is comprised of dedicated principals who have worked together for over 12 years and who have over 44 years of combined investing experience. The co-investment team, comprised of senior professionals with over 80 years of combined private equity and industry-related experience, seeks to achieve attractive risk-adjusted returns by co-investing with premier private equity firms in attractive investment opportunities.

- *Strong and Stable Investment Management Platform*

The Investment Manager is a division of NBG, an independent global asset management firm, dedicated to providing investment management products to institutional, intermediary, and high net worth clients. NBG, which is majority employee-owned, manages approximately US\$169 billion of assets and has approximately 1,600 employees globally.

- *Significant Research and Diligence Resources*

NBG's global network of employees and extensive buy-side research professionals provide the Company with valuable industry and company-specific insights, which supplement the Investment Manager's analysis and evaluation of investment opportunities.

The Investment Manager intends to continue to maintain a diversified Investment Portfolio:

- *Investment Portfolio*

As at 30 September 2009, the Investment Portfolio consisted of 39 private equity fund investments, including five funds of funds managed by the Investment Manager, and 17 direct co-investments with an aggregate unaudited estimated fair value of US\$491.2 million. The Investment Portfolio has exposure to over 2,300 underlying portfolio companies and is broadly diversified across asset class, vintage year, geography, industry and sponsor.

In the current market environment, the Company believes that a number of potentially attractive investment opportunities, including secondary and distressed investments, are accessible and that the proposed issuance of ZDP Shares would provide additional capital for investment which would enable the Company to take advantage of these market opportunities.

- *Diversification Strategy*

The Investment Manager intends to continue to provide Shareholders with an investment in a well-diversified portfolio of private equity investments. The Investment Manager will continue to make private equity fund investments and co-investments, which are diversified by private equity asset class, geography, industry, vintage year and sponsor. The Investment Manager believes that by investing in this manner, the Company will achieve higher risk-adjusted returns than it would achieve in a less diversified portfolio.

### ***Investment Management and Services Agreement***

In accordance with the Investment Management and Services Agreement, the Investment Manager carries out the day-to-day management and operations of the Company and the Investment Partnership. The services rendered by the Investment Manager are provided primarily by members of the Investment Committee and other members of the Investment Manager's team of investment professionals.

In addition, under the terms of the Investment Management and Services Agreement, the Company has delegated substantially all of its duties, rights and powers as general partner of the Investment Partnership to the Investment Manager.

For further information in relation to the Investment Management and Services Agreement, including any fees payable thereunder, please refer to paragraph 8.1 of Part VI of this document.

## PART III

### ZDP PLACING AND OFFER FOR SUBSCRIPTION

**The ZDP Shares are only suitable for investors: (i) who understand the potential risk of capital loss and the fact that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the ZDP Shares would be of a long-term nature constituting part of a diversified investment portfolio; and (iii) who fully understand and are willing to assume the risks involved in investing in the ZDP Shares or in the Company through the ZDP Shares.**

#### ZDP Placing

The Placing Agent has agreed under the Placing and Offer Agreement to use its reasonable endeavours to procure Places for the ZDP Shares pursuant to the ZDP Placing on the terms and subject to the conditions set out in the Placing and Offer Agreement. Details of the Placing and Offer Agreement are set out in paragraph 8.6 of Part VI of this document. The registered address of the Placing Agent is set out on page 35 of this document.

The ZDP Placing and Offer for Subscription is conditional, *inter alia*, on:

- (A) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (B) Admission occurring by 0800 hours on 1 December 2009 (or such later date, not being later than 8 December 2009, as the Company and the Placing Agent may agree).

The latest time for receipt by the Placing Agent of placing commitments for ZDP Shares from Places under the ZDP Placing is 1300 hours on 25 November 2009. The ZDP Placing will, unless extended, be closed at that time. Applications under the ZDP Placing must be for the Minimum Subscription amount of £50,000.

#### Offer for Subscription

The Company is also making ZDP Shares available to the public under the Offer for subscription.

Applications under the Offer for Subscription must be for the Minimum Subscription amount of £5,000 and thereafter in integral multiples of £1,000.

The Terms and Conditions of Application relating to the Offer for Subscription are set out on pages 108 to 114 of this document and are followed by notes on how to complete the Application Form set out on pages 115 to 116 of this document. Application Forms must be posted or delivered by hand (during normal business hours) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive by no later than 1500 hours on 24 November 2009. The Offer for Subscription will, unless extended, be closed at that time.

Payment may be made by cheque, banker's draft or building society cheque and must accompany the application. The Directors reserve the right to refuse applications for any reason.

#### General

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

The ZDP Issue and Offer for Subscription will proceed only if the Minimum Target is met, save that the Board and the Placing Agent shall be entitled to permit the ZDP Issue and Offer for Subscription to proceed for such lesser amount than the Minimum Target as they may deem appropriate in the circumstances. Where the Company receives subscriptions in excess of the Maximum Target, such subscriptions will be scaled back at the discretion of the Placing Agent and with agreement of the Board. The ZDP Placing will not be subject to scaling back in favour of the Offer for Subscription and

the Offer for Subscription will not be subject to scaling back in favour of the ZDP Placing. Accordingly, applicants for ZDP Shares may, in certain circumstances not be allotted the number of ZDP Shares for which they have applied.

Should the ZDP Placing and Offer for Subscription be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

### **Issue Price and Commissions**

The ZDP Placing and Offer for Subscription is for up to a maximum of 50 million ZDP Shares of no par value at an Issue Price of 100 pence per ZDP Share. The maximum number of ZDP Shares available under the ZDP Placing and Offer for Subscription should not be taken as an indication of the number of ZDP Shares finally to be issued.

Whilst the Placing Agent will be entitled to the Placing Commission payable by the Company in connection with monies raised under the ZDP Placing and Offer for Subscription, no commissions are payable by the Company to Placees under the ZDP Placing. For further details on the Placing Commission and the payment thereof, please refer to paragraph 8.6 on page 98 of this document.

Under the terms of the ZDP Placing and Offer Agreement, the Placing Agent is entitled, at its discretion and out of its own resources, at any time, to rebate to some or all investors or to such other parties as the Placing Agent may wish, all or part of the Placing Commission. The Placing Agent is also entitled under the Placing and Offer Agreement to retain agents and may pay commissions in respect of the ZDP Placing to any or all of such agents, save that such commissions will be paid from the Placing Agent's own resources.

### **Clearing and Settlement**

Payment for the ZDP Shares, in the case of the ZDP Placing should be made in accordance with settlement instructions to be provided to Placees by the Placing Agent. Payment for the ZDP Shares, in the case of the Offer for Subscription, should be made in accordance with the Terms and Conditions of Application on pages 108 to 114 of this document. Monies received by the Placing Agent will be held in segregated client accounts pending settlement. To the extent that any application for ZDP Shares is rejected in whole or in part, monies received will be returned without interest at the risk of the applicant.

The ZDP Shares will be issued in registered form and will be eligible for settlement through CREST with effect from Admission. ZDP Shares issued under the ZDP Placing will be transferred to successful applicants through the CREST system unless otherwise stated. ZDP Shares issued under the Offer for Subscription will be issued to successful applicants in accordance with the Terms and Conditions of Application.

CREST is a paperless book-entry settlement system operated by Euroclear UK and Ireland which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and ZDP Shareholders who wish to receive and retain share certificates will be able to do so.

The Company and the Placing Agent will instruct CREST to credit the appropriate CREST Accounts of the Placees concerned or their nominees with their respective entitlements to the ZDP Shares. The names of Placees or their nominees that invest through their CREST Accounts will be entered directly on to the share register of the Company.

None of the ZDP Shares available under the ZDP Placing and Offer for Subscription are being underwritten.

### **Dealing Arrangements**

Application has been made to the LSE and to the CISX for the ZDP Shares to be admitted to trading on the SFM and the CISX, respectively.

It is expected that the basis of allocation, including the final amount of ZDP Shares to be allotted under the ZDP Placing and Offer for Subscription, will be announced to the public via an RIS announcement at 0800 hours on 26 November 2009. Notification to applicants for ZDP Shares under the ZDP Placing and Offer for Subscription of the amount allotted to them shall be on credit of the ZDP Shares to each

respective applicant's CREST Account (in the case of ZDP Shares to be held in uncertificated form) or on receipt of a share certificate (in the case of ZDP Shares to be held in certificated form). Where an application for ZDP Shares is rejected in whole or in part, monies received will be returned without interest at the risk of the applicant.

It is expected that Admission will become effective and that unconditional dealings in the ZDP Shares will commence on the SFM and the CISX at 0800 hours on 1 December 2009. Dealings in ZDP Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The ISIN number, SEDOL code and Common Code of the ZDP Shares are as follows:

|             |              |
|-------------|--------------|
| ISIN        | GG00B4ZXGJ22 |
| SEDOL       | B4ZXGJ2      |
| Common Code | NBPZ         |

### **Transfer of the ZDP Shares**

The transfer of the ZDP Shares outside the CREST system should be arranged directly through the Registrar by completing and lodging an appropriate stock transfer form. However, an investor's beneficial holding held through the CREST system may rematerialise, in whole or in part, only upon the specific request of a beneficial owner to CREST through submitting a stock withdrawal form for share certificates or an uncertificated holding in definitive registered form.

If a ZDP Shareholder or transferee requests ZDP Shares to be issued in certificated form and is holding such ZDP Shares outside CREST, a share certificate will be despatched either to them or their nominated agent (at their own risk) within 10 days of completion of the registration process or transfer, as the case may be, of the ZDP Shares. ZDP Shareholders holding a definitive certificate may elect at a later date to hold their ZDP Shares through CREST or in uncertificated form, provided they surrender their definitive certificates.

The Company has not been and will not be registered under the US Investment Company Act. In addition, the Shares have not been and will not be registered under the US Securities Act. The ZDP Shares are only being offered outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S under the US Securities Act. The ZDP Shares may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, US Persons.

### ***Potential Investors***

Each purchaser of ZDP Shares pursuant to the Offer for Subscription will be required, prior to taking up any entitlements to and receiving ZDP Shares, to represent and agree in the Application Form and (ii) each purchaser of the ZDP Shares pursuant to the ZDP Placing will be deemed to have represented and agreed and (iii) each subsequent investor in the ZDP Shares will be deemed by its acquisition of the ZDP Shares to have represented and agreed as follows (terms used below that are defined in Regulation S under the US Securities Act have the meanings given to them in Regulation S):

1. It and the person, if any, for whose account it is acquiring the ZDP Shares are not US Persons and are purchasing the ZDP Shares outside the United States in an offshore transaction meeting the requirements of Regulation S.
2. It understands and acknowledges that the ZDP Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state of the United States and may not be offered or sold in the United States or to US Persons.
3. It understands and acknowledges that the Company has not registered and will not register under the US Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering, and to ensure that the Company is not required and will not be required to be registered under the US Investment Company Act.
4. It agrees that each ZDP Share offered and sold pursuant to Regulation S will contain a legend substantially to the following effect unless otherwise agreed by the Company and the holder of the ZDP Share in accordance with applicable law.

**The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “US Investment Company Act”). In addition, the ZDP Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”). Consequently, this security may not be offered or sold or otherwise transferred within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act).**

5. No portion of the assets used by such investor to purchase, and no portion of the assets used by such investor to hold, the ZDP Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title 1 of ERISA, but excluding plans maintained outside the US that are described in Section 4(b)(4) of ERISA); (ii) a plan, individual retirement account or other arrangement that is described in Section 4975 of the US Tax Code (whether or not such plan, account or arrangement is subject to Section 4975 of the US Tax Code); (iii) an insurance company using general account assets, if such general account assets are deemed to include assets of any of the foregoing types of plans, accounts or arrangements for purposes of Title I of ERISA or Section 4975 of the US Tax Code; or (iv) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code.
6. It is purchasing the ZDP Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the ZDP Shares in any manner that would violate the US Securities Act, the US Investment Company Act or any other applicable securities laws.
7. If in the future it decides to offer, sell, transfer, assign or otherwise dispose of the ZDP Shares, it will do so only in compliance with an exemption from the registration requirements of the US Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal that might (in the opinion of the Directors) require the Company to register under the Investment Company Act will be subject to the compulsory transfer provisions as provided in the Articles.
8. It has received, carefully read and understands the Prospectus, and has not distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the ZDP Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing and it understands that the Prospectus is subject to the requirements of the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*), Euronext Amsterdam, the LSE and the CISX and the information therein, including any financial information, may be materially different from any disclosure that would be provided in a US offering.
9. The Company, the Placing Agent and their respective affiliates will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

### **Placing and Offer Agreement**

The Company has entered in the Placing and Offer Agreement with the Placing Agent in relation to the ZDP Placing and Offer for Subscription. For further information on the Placing and Offer Agreement, please refer to paragraph 8.6 in Part VI of this document.

**PART IV**  
**FINANCIAL INFORMATION**

*The following is a discussion of the Company's results of operations and financial condition for the financial period to 31 December 2007, the financial half year to 30 June 2008, the financial year to 31 December 2008, the nine months to 30 September 2009 and the month of October 2009. Prospective investors should read the following discussion, together with the whole of this document, including risk factors, and the Company's historical financial statements and should not just rely on the key or summarised information contained in this Part IV. The financial information in this Part IV has been extracted without material adjustment from the Company's accounting records.*

*This Part IV contains "forward-looking statements". Those statements are subject to risks, uncertainties and other factors that could cause future results of operations or cash flows to differ materially from the results of operations or cash flows expressed or implied in such forward-looking statements.*

**1. Selected Financial Information**

**1.1 Key Financial Information**

The table below sets out the key financial information that has been extracted without material adjustment and summarised from the Company's audited annual accounts in respect of the financial period from incorporation of the Company to 31 December 2007, the financial year ended 31 December 2008 and from the unaudited interim accounts of the Company for the nine months to 30 September 2009, each of which is incorporated in this document by reference. The Company believes that this information summarises the financial condition and results of operations of the Company over the relevant period.

| <i>Selected Financial Information</i><br><i>(US\$ in millions, except per share data)</i> | <i>Incorporation to</i><br><i>31 December</i><br><i>2007</i> | <i>Financial Year</i><br><i>Ended</i><br><i>31 December</i><br><i>2008</i> | <i>Interim</i><br><i>Period</i><br><i>to 30 June</i><br><i>2009</i> | <i>Nine Months</i><br><i>Ended</i><br><i>30 September</i><br><i>2009*</i> |
|---|--|--|---|---|
| <i>Beginning Private Equity Investments</i>   | —  | 421  | 448   | 448   |
| <i>Contributions and Purchases</i>  | 423  | 191  | 25  | 38  |
| <i>Distributions and Proceeds</i>   | (20)   | (50)   | (6)   | (18)  |
| <i>Net Change in Fair Value</i>   | 17   | (113)  | 3   | 22  |
| <i>Ending Private Equity Investments</i>  | 421  | 448  | 470   | 491   |
| <i>Borrowings under the Credit Facility</i>   | —  | 151  | 127   | 117   |
| <i>NAV</i>  | 562  | 430  | 427   | 449   |
| <i>Ordinary Shares Outstanding</i>  | 54.2   | 52.5   | 51.1  | 51.1  |
| <i>NAV per Share for Ordinary Shareholders</i>  | 10.37  | 8.20   | 8.35  | 8.79  |
| <i>Capital Resources</i>  |  |  |   |   |
| <i>Cash and Cash Equivalents</i>  | 145  | 139  | 87  | 71  |
| <i>Undrawn Available Credit Facility</i>  | 250  | 99   | 123   | 133   |
| <i>Total Capital Resources</i>  | 395  | 238  | 210   | 205   |
| <i>Unfunded Private Equity Commitments</i>  | 305  | 182  | 163   | 158   |
| <i>Capital Resources in Excess of</i><br><i>Unfunded Commitments</i>                      | 90   | 56   | 47  | 46  |

\* Unaudited

**1.2 Related Party Transactions**

1.2.1 Simultaneously with the closing of the Initial Global Offering and related transactions, affiliates of Lehman Brothers, which are not party to the bankruptcy filing of LBHI, purchased US\$145 million of Class A Shares, in the form of RDSs applicable to investors in the United States. These Class A Shares are subject to a restriction on re-sale until 18 July 2010. The restriction can be removed only with the agreement of a majority of the Independent Directors.

- 1.2.2 Pursuant to a trading plan commenced in November 2007 and terminated in November 2008, affiliates of Lehman Brothers acquired an additional 802,319 Class A Shares. Such Class A Shares were acquired on the open market and are not subject to any restrictions on re-sale.
- 1.2.3 During 2008 the Company bought mezzanine debt with a par value of US\$10,009,711 at US\$9,909,614 from an affiliate of LBHI. The Company believes that the purchase price was at fair value at the date of the transaction.
- 1.2.4 The Company holds limited partner interests in private equity funds of funds managed and sponsored by the Investment Manager. The net asset value of these investments is excluded for purposes of calculating the Management Fee. As of 30 September 2009 and 31 December 2008, the aggregate net asset value of these funds was approximately US\$69.6 million and US\$67.2 million, respectively, and associated unfunded commitments were US\$36.9 million and US\$39.6 million, respectively.

## **2. Accounting policies**

In accordance with the Articles, the Company prepares its financial statements on an annual and quarterly basis in accordance with US GAAP. The Company's financial statements shall include such information as may be required by applicable laws and as the Board deem appropriate.

## **3. Operating and financial review**

### **3.1 *Financial Information***

The audited annual reports and accounts of the Company in respect of the financial period from incorporation of the Company to 31 December 2007 and the financial year ended 31 December 2008 and the unaudited interim reports of the Company for the three months to 31 March 2009, the six months to 30 June 2009, the nine months to 30 September 2009 and the month of October 2009, each of which is incorporated in this document by reference, contain descriptions of the Company's operating results and financial condition, changes to the Company's financial condition and details regarding the Company's Investment Portfolio and performance for each of those periods. The relevant pages of each report are set out in paragraph 4 of this Part IV of this document.

### **3.2 *Investments Results for the Nine Months to 30 September 2009***

- 3.2.1 As of 30 September 2009, the Company's unaudited NAV per Share was US\$8.79, representing a 5.3 per cent. increase compared to the unaudited NAV per Share of US\$8.35 at 30 June 2009 and a 7.2 per cent. increase compared to the audited NAV per Share of US\$8.20 at 31 December 2008. During the third quarter of 2009, the Company's Investment Portfolio value increased primarily due to net unrealized gains related to special situations / distressed funds and public equity securities. In addition, higher public market comparables resulted in a net increase in the value of certain private fund investments.
- 3.2.2 In the third quarter, the Investment Portfolio experienced net realized losses of US\$4.6 million. The Investment Portfolio generated net unrealized gains of US\$19.2 million associated with credit-related fund investments and public equity securities and net unrealized gains of US\$11.2 million related to privately held investments. Interest and dividend income, foreign exchange translation, operating expenses (including interest expense) and taxes in the third quarter resulted in a US\$3.3 million decrease in NAV.
- 3.2.3 For the nine month period ended 30 September 2009, the Investment Portfolio had net realized losses of US\$6.3 million. Net unrealized gains for credit-related fund investments and public equity securities were US\$36.8 million, while net unrealized losses for privately held investments were US\$0.4 million. Net operating expenses (including interest expense), treasury stock adjustments, foreign exchange translation and taxes led to a US\$11.6 million decrease in NAV during the nine month period; however, share repurchases through the Liquidity Enhancement Contract were accretive to NAV by US\$0.18 on a per share basis.

- 3.2.4 During the first three quarters of 2009, the Company invested approximately US\$38.2 million into private equity assets through capital calls and follow-on investments. Approximately 60 per cent. of the capital was invested in buyout funds and co-investments, 27 per cent. in special situations/distressed funds and 13 per cent. in growth equity and venture capital funds.
- 3.2.5 The Company received approximately US\$17.7 million of distributions during the first nine months of 2009. A majority of the realization distributions were attributable to investments in ArcLight Energy Partners Fund IV, Avista Capital Partners, Corsair III Financial Services Capital Partners and TPF Genco Holdings, LLC.

### 3.3 *Investment Portfolio Summary at 30 September 2009*

- 3.3.1 During the first three quarters of the year, the Company did not commit to any new private equity funds or new direct co-investments. In August, the Company completed a follow-on equity co-investment into Firth Rixson, plc. At the end of September, the Company fully realized a co-investment in a publicly-traded company. The proceeds of the sale were received in October and therefore are not included in the cash flows for the nine month period ended 30 September 2009.
- 3.3.2 As of 30 September 2009, the Company's Investment Portfolio consisted of 39 fund investments and 17 direct co-investments. The fair value of the Investment Portfolio was US\$491.2 million, and the total exposure, including unfunded commitments, was US\$649.4 million.

| <i>(US\$ in millions)</i>                      | <i>Private Equity Investment Portfolio – 30 September 2009</i> |                   |                             |                       |
|--|--|-------------------|-----------------------------|-----------------------|
|  | <i>Number of Investments</i>                                   | <i>Fair Value</i> | <i>Unfunded Commitments</i> | <i>Total Exposure</i> |
| <i>Fund Investments</i>                        | 39   | US\$420.4         | US\$151.9                   | US\$572.2             |
| <i>Direct Co-investments</i>                   | 17   | 70.8              | 6.4                         | 77.2                  |
| <b><i>Total Private Equity Investments</i></b> | <b>56</b>  | <b>US\$491.2</b>  | <b>US\$158.2</b>            | <b>US\$649.4</b>      |

### 3.4 *Investment Portfolio Activity for the Nine Months to 30 September 2009*

- 3.4.1 The Company's Investment Portfolio activity during the first nine months of 2009 is set out in the table below:

| <i>(US\$ in millions)</i>                         | <i>Fund Investments</i> | <i>Direct Co-investments</i> | <i>Total</i> |
|---|-------------------------|------------------------------|--------------|
| <i>Investments Funded</i>                         | 37.1                    | 1.1                          | 38.2         |
| <i>Distributions Received</i>                     | 15.6                    | 2.2                          | 17.7         |
| <i>Net Realised Gains (Losses)</i>                | (5.1)                   | (1.2)                        | (6.3)        |
| <i>Net Unrealised Appreciation (Depreciation)</i> | 45.5                    | (9.1)                        | 36.4         |
| <i>New Commitments</i>                            | None                    | None                         | None         |
| <i>Amount Committed</i>                           | 0.0                     | 0.0                          | 0.0          |

### 3.5 *Liquidity and Capital Resources at 30 September 2009*

- 3.5.1 The principal sources of the Company's liquidity consist of the net cash proceeds of cash distributions from investments, sales of investments, interest and dividends earned on invested cash and investments, and borrowings under the Credit Facility.
- 3.5.2 As of 30 September 2009, the Company had outstanding borrowings of US\$116.7 million from the US\$250.0 million Credit Facility in order to fund ongoing investment activities. As a result, the Company had cash and cash equivalents of US\$71.2 million and US\$133.3 million of undrawn capacity on the Credit Facility, resulting in total capital resources of US\$204.5 million. Given that unfunded private equity commitments were US\$158.2 million at quarter end, the Company continued to maintain a conservative capital structure with over 100 per cent. of unfunded commitments backstopped by cash and the undrawn Credit Facility.

3.5.3 The table below outlines the Company's liquidity and capital position as of 30 September 2009.

| <i>(US\$ in millions)</i>   | <i>Capital Position as at<br/>30 September 2009</i> |
|---|---|
| <i>NAV</i>  | 449.0   |
| <i>Total Investment Portfolio</i>                                   | 491.2   |
| <i>Private Equity Investment Level</i>                              | 109%  |
| <i>Unfunded Private Equity Commitments</i>                          | 158.2   |
| <i>Total Private Equity Exposure</i>                                | 649.4   |
| <i>Over-commitment Level</i>  | 45%   |
| <i>Cash and Cash Equivalents</i>                                    | 71.2  |
| <i>Undrawn Credit Facility</i>                                      | 133.3   |
| <i>Total Capital Resources</i>                                      | <u>US\$204.5</u>                                    |
| <b><i>Excess of Capital Resources Over Unfunded Commitments</i></b> | <u><u>US\$46.3</u></u>                              |

3.5.4 The key financial covenant for the Company's Credit Facility is a maximum debt to value ratio of 50.0 per cent. The debt to value ratio is calculated as total debt and current liabilities divided by Restricted NAV, with Restricted NAV defined as the fair value of the Investment Portfolio (less any restricted value) plus cash and cash equivalents. At 30 September 2009, the debt to value ratio was 22.1 per cent.

3.5.5 The two other covenants are a secured asset ratio and a commitment ratio. The secured asset ratio is not to exceed 80.0 per cent. and is defined as total debt and current liabilities divided by Secured Assets, with Secured Assets defined as the value of the secured Investment Portfolio plus cash and cash equivalents. At 30 September 2009, the secured asset ratio was 31.6 per cent.

3.5.6 The commitment ratio is defined as Restricted Total Exposure divided by the aggregate of shareholder's equity and the total amount of the Credit Facility, with Restricted Total Exposure defined as the value of the Investment Portfolio (less any restricted value) plus unfunded private equity commitments. If the debt to value ratio is greater than 25.0 per cent. and the commitment ratio is greater than 130.0 per cent., then the Company becomes restricted from making new private equity investments. At 30 September 2009, the commitment ratio was 91.9 per cent.

### 3.6 ***October 2009 Monthly Report – Company and Investment Portfolio Update***

3.6.1 During October, the Company agreed to co-invest alongside NBG's secondary fund in the purchase of a portfolio of private equity fund investments and co-investments at a discount to net asset value. The portfolio is well diversified by asset class, vintage year and sponsor, and will provide the Company with a total private equity exposure of US\$7.4 million. The transaction has not yet closed.

3.6.2 In aggregate, the Company invested US\$5.7 million in private equity investments and received US\$8.0 million of distributions and sale proceeds during the month. As a result of this investment activity, the Company's private equity investment level increased to 111 per cent. of total NAV at 31 October 2009. During October, approximately 39 per cent. of capital calls were invested in growth equity / venture funds, 35 per cent. were invested in buyout funds and 26 per cent. were invested in distressed funds. Nearly all of the distributions were related to the sale proceeds of a co-investment that was fully realized at the end of September. The Company also paid down US\$26.0 million of principal on the Credit Facility during October.

3.6.3 As of 31 October 2009, the unaudited NAV per Class A Share was US\$8.78. During October, the Company's Investment Portfolio value increased due to US\$2.4 million of unrealized gains on credit-related fund investments and US\$0.1 million of positive foreign exchange adjustments. These gains in value were offset by US\$1.8 million of unrealized losses related to public equity securities.

3.6.4 As of 31 October 2009, the Company's Investment Portfolio consisted of 39 fund investments and 17 direct co-investments. The fair value of the Company's Investment Portfolio was US\$496.5 million, and the total exposure, including unfunded commitments, was US\$649.4 million.

| <i>Summary of NAV</i><br><i>(US\$ in millions, except per share data)</i> | <i>31 October 2009</i> |
|---|------------------------|
| <i>Fund Investments</i>   | 425.6                  |
| <i>Direct Co-investments</i>  | 70.9                   |
| <b><i>Total Investment Portfolio</i></b>                                  | <b>496.5</b>           |
| <i>Cash and Cash Equivalents</i>  | 45.5                   |
| <i>Credit Facility Outstanding</i>  | (90.7)                 |
| <i>Net Other Assets (Liabilities), including Minority Interest</i>        | (3.1)                  |
| <b><i>NAV</i></b>   | <b>448.2</b>           |
| <b><i>NAV per Class A Share</i></b>                                       | <b>8.78</b>            |
| <b><i>Summary of Private Equity Exposure</i></b>                          |                        |
| <i>Estimated Fair Value of Investment Portfolio</i>                       | 496.5                  |
| <i>Unfunded Private Equity Commitments</i>                                | 152.8                  |
| <b><i>Total Private Equity Exposure</i></b>                               | <b>649.4</b>           |
| <i>Private Equity Investment Level</i>                                    | 111%                   |
| <i>Cash + Undrawn Committed Credit Facility</i>                           | 204.8                  |
| <i>Commitment Cover Ratio</i>   | 134%                   |

3.6.5 During October 2009, there were no shares repurchased under the Liquidity Enhancement Contract. As of 31 October 2009, there were 51,059,592 Class A Shares and 10,000 Class B Shares outstanding, with 3,150,408 Class A Shares held in treasury.

#### **4. Documents incorporated by reference**

4.1 The following list is intended to enable potential investors to identify easily specific items of information about the Company which have been incorporated by reference into this document.

##### **4.1.1 *Financial information for the period from 1 October 2009 to 31 October 2009***

The information contained under the headings "Investment Manager Commentary", "Net Asset Value Development", "Private Equity Portfolio Diversification" and the "Liquidity Enhancement Agreement" in the unaudited monthly report for the period from 1 October 2009 to 31 October 2009.

##### **4.1.2 *Financial information for the nine month period to 30 September 2009***

The information is contained in the unaudited interim management statement to 30 September 2009 at the following pages:

|  |                |
|--|----------------|
| Company Overview                           | Page 1         |
| Investment Results                         | Page 4         |
| Investment Portfolio Summary               | Page 5         |
| Investment Strategy and Capital Deployment | Page 6         |
| Portfolio and Investment Activity          | Page 7         |
| Portfolio Diversification                  | Pages 8 to 9   |
| Diversification of Unfunded Commitments    | Page 10        |
| Vintage Year Diversification               | Page 11        |
| Private Equity Investment Portfolio        | Page 12        |
| Valuation Methodology                      | Page 13        |
| Performance by Asset Class                 | Page 14        |
| Co-investment Performance                  | Page 15        |
| Largest Underlying Investments             | Page 16        |
| NB Crossroads Fund of Funds Investments    | Page 17        |
| Liquidity and Capital Resources            | Pages 18 to 19 |

#### 4.1.3 *Financial information for the financial half year ended 30 June 2009*

The information is contained in the unaudited interim report and accounts to 30 June 2009 at the following pages:

|   |                |
|---|----------------|
| Company Overview  | Page 1         |
| Investment Results  | Page 4         |
| Investment Portfolio Summary                                    | Page 5         |
| Investment Strategy and Capital Deployment                      | Page 6         |
| Portfolio and Investment Activity                               | Page 7         |
| Portfolio Diversification                                       | Pages 8 to 9   |
| Diversification of Unfunded Commitments                         | Page 10        |
| Vintage Year Diversification                                    | Page 11        |
| Private Equity Investment Portfolio                             | Page 12        |
| Valuation Methodology   | Page 13        |
| Performance by Asset Class                                      | Page 14        |
| Co-investment Performance                                       | Page 15        |
| Largest Underlying Investments                                  | Page 16        |
| Investment Portfolio Performance Metrics                        | Pages 17 to 18 |
| NB Crossroads Funds of Funds Investments                        | Page 19        |
| Liquidity and Capital Resources                                 | Pages 20 to 21 |
| Report of Independent Accountants                               | Page 29        |
| Consolidated Balance Sheets                                     | Page 30        |
| Consolidated Condensed Schedules of Private Equity Investments  | Pages 31 to 32 |
| Consolidated Statements of Operations and Changes in Net Assets | Page 33        |
| Consolidated Statements of Cash Flows                           | Page 34        |
| Notes to Consolidated Financial Statements                      | Pages 35 to 44 |

#### 4.1.4 *Financial information for the three month period to 31 March 2009*

The information is contained in the unaudited interim report and accounts to 31 March 2009 at the following pages:

|   |                |
|---|----------------|
| Company Overview  | Page 1         |
| Investment Results  | Page 3         |
| Investment Portfolio Summary                                    | Page 4         |
| Investment Strategy and Capital Deployment                      | Page 5         |
| Portfolio and Investment Activity                               | Page 6         |
| Portfolio Diversification                                       | Pages 7 to 8   |
| Diversification of Unfunded Commitments                         | Page 9         |
| Vintage Year Diversification                                    | Page 10        |
| Private Equity Investment Portfolio                             | Page 11        |
| Valuation Methodology   | Page 12        |
| Performance by Asset Class                                      | Page 13        |
| Co-investment Performance                                       | Page 14        |
| Largest Underlying Investments                                  | Page 15        |
| NB Crossroads Fund of Funds Investments                         | Page 16        |
| Liquidity and Capital Resources                                 | Pages 17 to 18 |
| Report of Independent Accountants                               | Page 25        |
| Consolidated Balance Sheets                                     | Page 26        |
| Consolidated Condensed Schedules of Private Equity Investments  | Pages 27 to 28 |
| Consolidated Statements of Operations and Changes in Net Assets | Page 29        |
| Consolidated Statements of Cash Flows                           | Page 30        |
| Notes to Consolidated Financial Statements                      | Pages 31 to 42 |

#### 4.1.5 *Financial information for the financial year ended 31 December 2008*

The information is contained in the audited annual report and accounts to 31 December 2008 at the following pages:

|   |                |
|---|----------------|
| Company Overview  | Page 1         |
| Investment Results  | Page 3         |
| Investment Portfolio Summary                                    | Page 4         |
| Investment Strategy and Capital Deployment                      | Page 5         |
| Portfolio and Investment Activity                               | Page 6         |
| Portfolio Diversification                                       | Page 7         |
| Diversification of Unfunded Commitments                         | Page 9         |
| Vintage Year Diversification                                    | Page 10        |
| Private Equity Investment Portfolio                             | Page 11        |
| Valuation Methodology   | Page 12        |
| Performance by Asset Class                                      | Page 13        |
| Co-investment Performance                                       | Page 14        |
| Largest Underlying Investments                                  | Page 15        |
| Investment Portfolio Performance Metrics                        | Page 16 to 17  |
| Lehman Crossroads Fund of Funds Investments                     | Page 18        |
| Liquidity and Capital Resources                                 | Pages 19 to 20 |
| Report of Independent Auditors                                  | Page 27        |
| Consolidated Balance Sheets                                     | Page 28        |
| Consolidated Condensed Schedules of Private Equity Investments  | Pages 29 to 30 |
| Consolidated Statements of Operations and Changes in Net Assets | Page 31        |
| Consolidated Statements of Cash Flows                           | Page 32        |
| Notes to Consolidated Financial Statements                      | Pages 33 to 44 |

#### 4.1.6 *Financial information for the financial half year ended 30 June 2008*

The information is contained in the unaudited interim report and accounts to 30 June 2008 at the following pages:

|  |                |
|--|----------------|
| Company Overview   | Page 1         |
| Investment Results   | Page 2         |
| Investment Portfolio Summary                                   | Page 3         |
| Investment Strategy and Capital Deployment                     | Page 4         |
| Portfolio and Investment Activity                              | Page 5         |
| Portfolio Diversification                                      | Page 6 to 7    |
| Vintage Year Diversification                                   | Page 8         |
| Valuation Methodology  | Page 9         |
| Private Equity Investment Portfolio                            | Page 10        |
| Largest Underlying Investments                                 | Page 11        |
| Lehman Crossroads Fund of Funds Investments                    | Page 12        |
| Report of Independent Accountants                              | Page 22        |
| Consolidated Statement of Assets and Liabilities               | Page 23        |
| Consolidated Condensed Schedules of Private Equity Investments | Pages 24 to 25 |
| Consolidated Statement of Operations                           | Page 26        |
| Consolidated Statement of Changes in Net Assets                | Page 27        |
| Consolidated Statements of Cash Flows                          | Page 28        |
| Notes to Consolidated Financial Statements                     | Pages 29 to 39 |

#### 4.1.7 *Financial information for the period ended 31 December 2007*

The information is contained in the audited annual report and accounts to 31 December 2007 at the following pages:

|   |                |
|---|----------------|
| Company Overview  | Page 1         |
| Investment Results  | Page 2         |
| Investment Portfolio Summary                                  | Page 3         |
| Investment Strategy and Capital Deployment                    | Page 4         |
| Portfolio and Investment Activity                             | Page 5 to 6    |
| Portfolio and Diversification                                 | Page 7         |
| Private Equity Investment Portfolio                           | Page 8         |
| Largest Underlying Investments                                | Page 9         |
| Report of Independent Auditors                                | Page 19        |
| Consolidated Statement of Assets and Liabilities              | Page 20        |
| Consolidated Condensed Schedule of Private Equity Investments | Pages 21 to 22 |
| Consolidated Statement of Operations                          | Page 23        |
| Consolidated Statement of Changes in Net Assets               | Page 24        |
| Consolidated Statements of Cash Flows                         | Page 25        |
| Notes to Consolidated Financial Statements                    | Pages 26 to 35 |

- 4.2 Investors should note that statements regarding current circumstances and forward-looking statements made in each of the annual report and audited accounts and the interim accounts referred to above speak as at the date of the relevant document and therefore such statements do not necessarily remain up to the date as the date of this document. Information included in this document, to the extent applicable, automatically updates and supersedes information included in the documents incorporated in this document by reference and referred to above.
- 4.3 No information incorporated by reference into the above documents is incorporated into this document. All of the information incorporated by reference into this document is available for inspection in accordance with paragraph 14 of Part VI of this document and is also available on the Company's website at [www.nbprivateequitypartners.com](http://www.nbprivateequitypartners.com). No other information included on such website is incorporated by reference or is otherwise part of this document.

## PART V

### TAXATION

**The following summary, which relates only to UK and Guernsey taxation, is applicable to certain investors in the Company that are the beneficial owners of the ZDP Shares. The summary does not address the position of certain classes of investors, such as dealers. Investors should note that the statements below are of a general nature and are based on current tax law and current published revenue practice, as of the date of this document, both of which are subject to change, possibly with retrospective effect. In particular, the levels and basis of, and reliefs from, taxation may change and this may alter the benefits of investment in the Company.**

**The information provided below is not exhaustive and, if potential investors are in any doubt as to the tax consequences of acquiring, holding or disposing of their investments, they should consult their professional advisers without delay.**

**It is the responsibility of all persons interested in purchasing ZDP Shares to inform themselves regarding any tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposal of the ZDP shares.**

#### **Guernsey Tax Considerations**

##### ***Taxation of the Company***

The following information does not deal with certain types of person, such as persons holding or acquiring shares in the course of trade, collective investment schemes or insurance companies. The following is intended only as a general guide and is not intended to be, nor should it be considered to be, legal or tax advice to any particular holder.

In response to the review carried out by the European Union Code of Conduct Group, the States of Guernsey abolished exempt status for the majority of companies with effect from 31 December 2007 and has introduced a zero rate of tax for companies carrying on all but a few specified types of activity. However, because investment funds including closed-end investment companies, such as the Company, were not one of the regimes in Guernsey that were classified by the European Union Code of Conduct Group as being harmful, investments funds including closed-end investment companies continue to be able to apply for exempt status for Guernsey tax purposes after 31 December 2007. The European Union has indicated that the zero rate of tax regime is not within the “spirit” of the European Code of Conduct review of harmful taxes. The States of Guernsey is considering its response to the European Union.

The Company has applied for and has been granted exempt status for Guernsey tax purposes. Under the provisions of the Exempt Ordinance, exemption is granted by the Director of Income Tax on an annual basis, provided the Company continues to comply with the requirements of the Exempt Ordinance and upon payment of an annual fee which is currently fixed at £600. It is the intention of the Directors to continue to conduct the affairs of the Company so as to ensure that it retains such exempt status. It is a condition of the exemption that no investment or other property situated in Guernsey, other than a relevant bank deposit or an interest in another body to which an exemption from tax has been granted, is acquired or held. Once exempt status has been granted, the Company is treated as not being resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice therefore, the Company is only liable for tax in Guernsey in respect of income arising in Guernsey, other than Guernsey bank deposit interest.

Any income of the Company arising in Guernsey will attract a standard rate of tax of 0 per cent. save for the following limited exceptions:

- (A) income from specified banking activities is subject to income tax at 10 per cent.;

- (B) income from activities that are regulated by the Guernsey Office of Utility Regulation is subject to income tax at 20 per cent; and
- (C) income derived from Guernsey land and buildings is subject to income tax at 20 per cent.

Guernsey currently does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax which is currently suspended) gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration. No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of shares in a Guernsey incorporated company.

Payments of dividends and interest by a company that has exempt status for Guernsey tax purposes are regarded as having their source outside Guernsey and hence are payable without deduction of tax in Guernsey.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in 2011/2012, including possibly the introduction of a goods and services tax, depending on the state of Guernsey's public finances at that time.

### ***Taxation of Shareholders***

Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will suffer no deduction of tax by the Company from any dividends payable by the Company, however the Administrator will provide details of distributions made to those Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Director of Income Tax in Guernsey. Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of any ZDP Shares owned by them.

Guernsey has introduced measures that are the same as the European Union Savings Tax Directive. However, paying agents located in Guernsey are not currently required to operate the measures on payments made by closed-end investment companies.

### ***Taxation of the Investment Partnership***

The Investment Partnership is not a taxable entity in Guernsey. Under current Guernsey law, any of the Investment Partnership's income which is wholly derived from its international operations and any distributions paid to one of its partners is not regarded as arising or accruing from a source in Guernsey in the hand of that partner if, being an individual, the partner is not solely or principally resident in Guernsey or, being a company, is not resident in Guernsey. It is the intention of the Company to ensure that the business of the Investment Partnership is conducted in such a way as to constitute international operations for the purposes of the relevant legislation. No inheritance, capital gains, gift, turnover or sales taxes are levied in Guernsey in connection with the acquisition, holding or transfer of a limited partnership interest. No stamp duty or similar taxation is levied on the issue or redemption of a limited partnership interest. No withholding tax or any other deduction will be made on distributions made by the Investment Partnership.

### **United Kingdom Tax Considerations**

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of holding ZDP Shares. They are (unless otherwise stated) based on current UK legislation and the practice of HM Revenue & Customs, which may change, potentially with retrospective effect. They apply only to ZDP Shareholders who are resident for tax purposes in the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their ZDP Shares as an investment and who are the absolute beneficial owner of both the ZDP Shares and any dividends paid on them. The tax position of certain categories of ZDP Shareholders who are subject to special rules (such as persons acquiring their ZDP Shares in connection with employment, dealers in securities, insurance companies, investment trust companies, pension funds, trusts and collective investment schemes) is not considered.

## ***The Company***

The Directors intend to continue to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Company. This will include conducting the affairs of the Company so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein), the Company will not be subject to United Kingdom income tax or corporation tax other than on United Kingdom source income.

Investment funds that undertake trading activity and are managed from the UK can be subject to UK taxation. Tax exemptions can be applied in particular circumstances in accordance with Schedule 26 Finance Act 2003, but this exemption will not apply in all circumstances. It is therefore possible that UK taxation could be applied to some of the profits of the Company, although it is the intention of the Investment Manager that this should not happen, as far as is reasonably practicable.

## ***ZDP Shareholders – Tax on Disposal***

The Company should not, under current law, be an offshore fund for the purposes of UK taxation and the provisions of Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 (the “**Taxes Act**”) should not therefore apply. Accordingly, ZDP Shareholders (other than those holding ZDP Shares as trading stock, who are subject to separate rules) who acquire their ZDP Shares prior to 1 December 2009 and who are resident or ordinarily resident in the UK, or who carry on business in the UK through a branch or agency (if an individual), or a permanent establishment (if a corporation) with which their investment in the Company is connected may, depending on their circumstances and subject as mentioned below, be liable to UK tax on capital gains realised on the disposal of their ZDP Shares (or obtain relief for any loss).

Under current law, on a subsequent disposal of ZDP Shares (which includes a redemption) by an individual ZDP Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes, a single rate of capital gains tax at 18 per cent. of any gain realised will apply. Individuals may benefit from other reliefs and allowances (including a personal allowance which presently exempts from tax, depending in their circumstances, the first £10,100 of gains). The Finance Act 2009 introduced a new definition of an offshore fund for the purposes of the UK offshore fund rules, to take effect from 1 December 2009. This definition will be relevant for UK resident or ordinarily resident ZDP Shareholders who subscribe for ZDP Shares in the Company from that date, as well as for such ZDP Shareholders subscribing earlier and whose rights in relation to their ZDP Shares are changed on or after that date. The Directors have been advised that this new definition should not apply to any such ZDP Shareholders. Should the Company be regarded as being subject to the offshore fund rules under either the current rules or the new definition, this may have adverse tax consequences for such ZDP Shareholders who may as a result be subject to UK income tax on any gain realised on disposal of their ZDP Shares.

ZDP Shareholders who are within the charge to UK corporation tax will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail price index. Indexation allowance cannot create or increase an allowable loss.

An individual ZDP Shareholder who is resident in the United Kingdom for UK tax purposes, but is not domiciled in the UK, may choose to pay UK tax on the remittance basis. Such a ZDP Shareholder that chooses to pay UK tax on the remittance basis should only be subject to UK taxation on chargeable gains if they choose to bring their gain arising on the disposal of their ZDP Shares into the United Kingdom. For non-domiciled individual ZDP Shareholders who have been resident in the UK for more than seven out of the previous nine tax years, such treatment will require the payment of an annual charge, currently £30,000.

A ZDP Shareholder who is neither resident nor, in the case of a non-corporate Shareholder, ordinarily resident in the UK for UK taxation purposes is not subject to UK taxation of chargeable gains unless, in the case of a non-corporate ZDP Shareholder, he carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of a corporate ZDP Shareholder, it carries on a trade in the

UK through a permanent establishment and the assets disposed of are situated in the UK and are used or held for the purposes of the branch or agency or the permanent establishment (as the case may be) or are acquired for use by or for the purposes of that branch or agency or that permanent establishment (as the case may be).

In some circumstances individuals becoming temporarily non-UK resident after 16 March 1998 could become subject to UK taxation on chargeable gains in the year of return to the UK on chargeable gains realised in the intervening years.

***Stamp duty and stamp duty reserve tax (“SDRT”)***

No UK stamp duty, and no UK SDRT, will be payable on the issue of the ZDP Shares.

UK stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the nearest £5 of the amount of consideration for the transfer) may be payable on any instrument of transfer of the ZDP Shares executed within, or in some circumstances brought into, the UK. Provided that the ZDP Shares are not registered in any register by or on behalf of the Company kept in the UK and that the ZDP Shares are not paired with shares issued by a company incorporated in the UK, an agreement to transfer the ZDP Shares will not be subject to UK SDRT.

***Other UK tax considerations***

**For the avoidance of doubt, ZDP Shares carry no right to the payment of dividends by the Company. ZDP Shares carry a right to payment of the Final Capital Entitlement (if available) only on the ZDP Repayment Date.**

The attention of individuals ordinarily resident in the UK for tax purposes is drawn to the provisions of chapter 2 of Part 13 of the Income Tax Act 2007. This contains anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits of the Company.

More generally, the attention of ZDP Shareholders is also drawn to the provisions of sections 703 to 709 of the Taxes Act which give powers to HM Revenue & Customs to cancel tax advantages derived from certain transactions in securities.

A UK Shareholder that is an individual should note the provisions of sections 714 to 751 of the Income Tax Act 2007 which could, in certain circumstances, render it liable to income tax on the income payable to a non-resident or non-domiciled person such as the Company. However, the provisions do not apply where the shareholder can satisfy HM Revenue & Customs that, either:

- (A) it would not be reasonable to conclude from all the circumstances of the case that avoiding liability to tax was the purpose or one of the purposes of effecting the transaction; or
- (B) the transaction was a genuine commercial transaction and it would not be reasonable to conclude from all the circumstances of the case that one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

The attention of companies resident in the UK for tax purposes is drawn to the fact that the “controlled foreign companies provisions” contained in sections 747 to 756 of the Taxes Act and Chapter 1 of Part 13 of the Income Tax Act 2007 could be material to any company so resident that holds alone, or together with certain other associated persons, 25 per cent., or more of the ZDP Shares (and/or such other classes of Shares in issue), if at the same time the Company is controlled by companies or any other persons who are resident in the United Kingdom for taxation purposes. Persons who may be treated as “associated” with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control. The effect of such provisions could be to render such companies liable to United Kingdom corporation tax in respect of undistributed income profits of the Company.

The attention of United Kingdom resident or ordinarily resident ZDP Shareholders is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances where the Company would, if UK resident, be a close company, a portion of capital gains

made by the Company can be attributed to an investor who, alone or together with associated persons, has more than a 10 per cent. interest in the Company acquired for use by or for the purposes of that branch or agency or that permanent establishment (as the case may be). In addition, an exception from the rules may apply where 35 per cent. of Ordinary Shares are held by the public (as defined in section 415 ICTA).

### ***ISAs and SIPPs/SSASs***

Investors resident in the UK who are considering acquiring ZDP Shares are recommended to consult their own tax and/or investment advisers in relation to the eligibility of the ZDP Shares for ISAs, SIPPs and SSASs.

ZDP Shares allotted under the Offer for Subscription (but not the ZDP Placing) or subsequently acquired in the secondary market should be eligible for inclusion in a stocks and shares ISA although the account manager should be asked to confirm ISA eligibility. Investors are currently able to invest in two separate ISAs each year, a cash ISA and a stocks and shares ISA. Up to half the annual subscription limit, currently (subject to what follows) £7,200, will be eligible for investment as cash. The remainder may be invested in a stocks and shares ISA. From 6 October 2009, the limit for subscription for investors aged 50 or over has risen to £10,200. This limit will apply to all eligible investors from 6 April 2010.

The ZDP Shares acquired under the Offer for Subscription or the ZDP Placing are expected to be eligible for inclusion in SIPPs and SSASs.

## PART VI

### ADDITIONAL INFORMATION

#### 1. Information on the Company

- 1.1 NB Private Equity Partners Limited is a closed-end investment company incorporated and registered with Her Majesty's Greffier in Guernsey under the Companies (Guernsey) Law, 1994 (as amended) (now superseded by the Companies Law) with registration number 47214 on 22 June 2007. The registered address of the Company is P.O. Box 225, Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY and the telephone number is +44 (0)1481 716000.
- 1.2 The Company has a perpetual existence and will continue as a company unless it is wound up in accordance with the Articles or the Companies Law.

#### 2. Responsibility

The Company accepts responsibility for the information contained in this document. To the best of the knowledge of the Company, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

#### 3. Significant Change

As at 30 June 2009 (the latest practicable date prior to the publication of this document), the NAV per Class A Share was US\$8.35. Save as disclosed under paragraph 3.6 of Part IV of this document, there has been no significant change in the financial or trading position of the Company since 30 June 2009, being the date to which the latest unaudited interim financial information was published.

#### 4. Share Capital

- 4.1 The share capital of the Company currently consists of two classes of shares, Class A Shares (which carry limited voting rights) and Class B Shares (which carry full voting rights). Each of the Class A Shares and the Class B Shares has a par value of US\$0.01. The authorised and fully paid issued share capital of the Company as at 13 November 2009 (the latest practicable date prior to the publication of this document) was as follows:

|                       | <i>Authorised<br/>no. of Shares</i> | <i>Issued<br/>no. of Shares</i> | <i>Outstanding<br/>no. of Shares</i> |
|-----------------------|-------------------------------------|---------------------------------|--------------------------------------|
| <i>Class A Shares</i> | 500,000,000                         | 54,210,000                      | 51,059,592                           |
| <i>Class B Shares</i> | 100,000                             | 10,000                          | 10,000                               |

- 4.2 The authorised and fully paid issued share capital of the Company immediately following Admission is expected to be as follows:

|                       | <i>Authorised<br/>no. of Shares</i> | <i>Issued<br/>no. of Shares</i> | <i>Outstanding<br/>no. of Shares</i> |
|-----------------------|-------------------------------------|---------------------------------|--------------------------------------|
| <i>Class A Shares</i> | 500,000,000                         | 54,210,000                      | 51,059,592                           |
| <i>Class B Shares</i> | 100,000                             | 10,000                          | 10,000                               |
| <i>ZDP Shares</i>     | 500,000,000                         | Up to 50,000,000*               | Up to 50,000,000*                    |

\* The number of ZDP Shares to be issued pursuant to the ZDP Placing and Offer for Subscription will be announced to the public via an RIS announcement at 0800 hours on 26 November 2009.

4.3 Since completion of the Initial Global Offering, pursuant to the terms of the Liquidity Enhancement Contract, 3,150,408 Class A Shares have been repurchased by ABN AMRO (on behalf of the Company). Please refer the table below for details of changes to the Company's issued share capital through the repurchase of Class A Shares.

| <i>Repurchase Date</i> | <i>Number or<br/>Class A Shares<br/>Repurchased</i> | <i>Repurchase<br/>Price Per<br/>Class A<br/>Share (US\$)</i> | <i>Total<br/>Repurchase<br/>Price (US\$)</i> |
|------------------------|---|--|--|
| 22/07/2008             | 1,940   | 7.40   | 14,356.00                                    |
| 23/07/2008             | 4,877   | 7.80   | 38,040.60                                    |
| 24/07/2008             | 7,556   | 7.70   | 58,181.20                                    |
| 25/07/2008             | 4,742   | 7.45   | 35,327.90                                    |
| 28/07/2008             | 6,323   | 8.23   | 52,032.45                                    |
| 30/07/2008             | 18,752  | 8.15   | 152,791.30                                   |
| 31/07/2008             | 12,159  | 7.92   | 96,287.12                                    |
| 05/08/2008             | 14,870  | 8.10   | 120,447.00                                   |
| 07/08/2008             | 5,102   | 7.87   | 40,152.74                                    |
| 08/08/2008             | 11,000  | 7.93   | 87,197.00                                    |
| 11/08/2008             | 4,603   | 7.80   | 35,903.40                                    |
| 12/08/2008             | 60,000  | 7.85   | 471,000.00                                   |
| 13/08/2008             | 6,258   | 7.83   | 48,968.85                                    |
| 14/08/2008             | 4,021   | 7.85   | 31,564.85                                    |
| 15/08/2008             | 1,000   | 8.00   | 8,000.00                                     |
| 19/08/2008             | 10,000  | 7.88   | 78,750.00                                    |
| 20/08/2008             | 3,805   | 7.80   | 29,679.00                                    |
| 21/08/2008             | 26,458  | 7.64   | 202,192.04                                   |
| 27/08/2008             | 5,000   | 7.60   | 38,000.00                                    |
| 28/08/2008             | 12,500  | 7.60   | 95,000.00                                    |
| 01/09/2008             | 5,001   | 7.50   | 37,507.50                                    |
| 02/09/2008             | 4,459   | 7.52   | 33,531.68                                    |
| 03/09/2008             | 4,828   | 7.50   | 36,210.00                                    |
| 04/09/2008             | 35,000  | 7.41   | 259,490.00                                   |
| 05/09/2008             | 19,920  | 7.13   | 142,069.44                                   |
| 08/09/2008             | 10,295  | 7.10   | 73,063.62                                    |
| 09/09/2008             | 5,900   | 6.98   | 41,164.30                                    |
| 10/09/2008             | 12,750  | 6.73   | 85,820.25                                    |
| 11/09/2008             | 50,413  | 6.11   | 308,023.43                                   |
| 12/09/2008             | 6,085   | 5.87   | 35,737.21                                    |
| 18/09/2008             | 2,000   | 5.50   | 11,000.00                                    |
| 19/09/2008             | 2,500   | 5.65   | 14,125.00                                    |
| 22/09/2008             | 797   | 5.49   | 4,375.53                                     |
| 23/09/2008             | 8,169   | 6.54   | 53,433.43                                    |
| 29/09/2008             | 3,860   | 6.45   | 24,897.00                                    |
| 30/09/2008             | 2,481   | 6.40   | 15,878.40                                    |
| 01/10/2008             | 2,972   | 6.29   | 18,708.15                                    |
| 03/10/2008             | 1,988   | 6.35   | 12,623.80                                    |
| 06/10/2008             | 23,500  | 6.20   | 145,775.20                                   |
| 07/10/2008             | 10,000  | 6.08   | 60,750.00                                    |
| 08/10/2008             | 40,000  | 5.29   | 211,452.00                                   |
| 09/10/2008             | 10,000  | 5.00   | 50,000.00                                    |
| 10/10/2008             | 9,916   | 4.25   | 42,155.89                                    |
| 13/10/2008             | 5,000   | 4.38   | 21,875.00                                    |
| 16/10/2008             | 20,000  | 4.51   | 90,275.00                                    |
| 20/10/2008             | 7,500   | 4.23   | 31,747.50                                    |
| 21/10/2008             | 25,000  | 4.50   | 112,500.00                                   |

| <i>Repurchase Date</i> | <i>Number or<br/>Class A Shares<br/>Repurchased</i> | <i>Repurchase<br/>Price Per<br/>Class A<br/>Share (US\$)</i> | <i>Total<br/>Repurchase<br/>Price (US\$)</i> |
|------------------------|---|--|--|
| 22/10/2008             | 5,000   | 4.25   | 21,250.00                                    |
| 23/10/2008             | 3,165   | 4.10   | 12,976.50                                    |
| 24/10/2008             | 30,000  | 3.60   | 108,000.00                                   |
| 27/10/2008             | 2,452   | 3.40   | 8,336.80                                     |
| 31/10/2008             | 20,000  | 3.63   | 72,500.00                                    |
| 03/11/2008             | 5,000   | 3.50   | 17,500.00                                    |
| 06/11/2008             | 15,000  | 3.17   | 47,500.00                                    |
| 07/11/2008             | 5,000   | 2.75   | 13,750.00                                    |
| 10/11/2008             | 12,000  | 2.73   | 32,700.00                                    |
| 11/11/2008             | 3,222   | 2.63   | 8,477.08                                     |
| 12/11/2008             | 15,000  | 2.75   | 41,250.00                                    |
| 13/11/2008             | 15,000  | 2.60   | 39,000.00                                    |
| 14/11/2008             | 10,734  | 2.69   | 28,907.74                                    |
| 17/11/2008             | 10,000  | 2.55   | 25,500.00                                    |
| 19/11/2008             | 50,000  | 2.25   | 112,500.00                                   |
| 20/11/2008             | 20,000  | 2.13   | 42,620.00                                    |
| 21/11/2008             | 15,000  | 2.11   | 31,695.00                                    |
| 25/11/2008             | 10,000  | 2.09   | 20,850.00                                    |
| 26/11/2008             | 3,000   | 2.00   | 6,000.00                                     |
| 27/11/2008             | 30,000  | 1.95   | 58,500.00                                    |
| 01/12/2008             | 15,000  | 1.98   | 29,685.00                                    |
| 02/12/2008             | 125,000   | 1.62   | 202,450.00                                   |
| 03/12/2008             | 65,000  | 1.40   | 90,740.00                                    |
| 04/12/2008             | 65,000  | 1.32   | 85,852.00                                    |
| 05/12/2008             | 150,000   | 1.28   | 192,495.00                                   |
| 09/12/2008             | 15,000  | 1.34   | 20,100.00                                    |
| 10/12/2008             | 50,000  | 1.29   | 64,650.00                                    |
| 11/12/2008             | 50,000  | 1.32   | 66,000.00                                    |
| 12/12/2008             | 100,000   | 1.33   | 132,500.00                                   |
| 15/12/2008             | 50,000  | 1.41   | 70,500.00                                    |
| 16/12/2008             | 46,120  | 1.43   | 66,043.84                                    |
| 17/12/2008             | 3,045   | 1.63   | 4,963.35                                     |
| 19/12/2008             | 42,753  | 1.90   | 81,230.70                                    |
| 23/12/2008             | 43,584  | 2.10   | 91,526.40                                    |
| 24/12/2008             | 45,762  | 2.10   | 96,100.20                                    |
| 31/12/2008             | 15,000  | 2.40   | 36,000.00                                    |
| 05/01/2009             | 50,000  | 2.60   | 130,000.00                                   |
| 06/01/2009             | 1,268   | 2.57   | 3,258.76                                     |
| 07/01/2009             | 50,000  | 2.55   | 127,500.00                                   |
| 08/01/2009             | 75,355  | 2.62   | 197,204.04                                   |
| 09/01/2009             | 25,000  | 2.70   | 67,500.00                                    |
| 12/01/2009             | 506   | 2.64   | 1,335.84                                     |
| 14/01/2009             | 50,000  | 2.70   | 135,000.00                                   |
| 15/01/2009             | 51,015  | 2.65   | 135,138.74                                   |
| 16/01/2009             | 25,000  | 2.65   | 66,225.00                                    |
| 19/01/2009             | 5,000   | 2.60   | 13,000.00                                    |
| 20/01/2009             | 125,000   | 2.60   | 325,000.00                                   |
| 21/01/2009             | 5,000   | 2.60   | 13,000.00                                    |
| 22/01/2009             | 100,000   | 2.60   | 260,000.00                                   |
| 23/01/2009             | 25,000  | 2.59   | 64,825.00                                    |
| 26/01/2009             | 25,000  | 2.60   | 64,950.00                                    |
| 27/01/2009             | 10,685  | 2.55   | 27,214.70                                    |

| <i>Repurchase Date</i> | <i>Number or Class A Shares Repurchased</i> | <i>Repurchase Price Per Class A Share (US\$)</i> | <i>Total Repurchase Price (US\$)</i> |
|------------------------|---|--|--------------------------------------|
| 28/01/2009             | 100,000                                     | 2.47   | 246,500.00                           |
| 02/02/2009             | 2,500                                       | 2.45   | 6,125.00                             |
| 03/02/2009             | 1,642                                       | 2.45   | 4,022.90                             |
| 04/02/2009             | 5,000                                       | 2.50   | 12,500.00                            |
| 05/02/2009             | 50,000                                      | 2.50   | 124,950.00                           |
| 10/02/2009             | 35,000                                      | 2.44   | 85,249.50                            |
| 12/02/2009             | 14,627                                      | 2.45   | 35,836.15                            |
| 13/02/2009             | 150,000                                     | 2.41   | 362,120.00                           |
| 16/02/2009             | 75,000                                      | 2.22   | 166,425.00                           |
| 17/02/2009             | 5,000                                       | 2.10   | 10,520.00                            |
| 19/02/2009             | 1,398                                       | 2.30   | 3,215.40                             |
| 20/02/2009             | 25,000                                      | 2.25   | 56,250.00                            |
| 23/02/2009             | 3,145                                       | 2.25   | 7,076.25                             |
| 24/02/2009             | 30,000                                      | 2.26   | 67,740.00                            |
| 25/02/2009             | 10,000                                      | 2.19   | 21,890.00                            |
| 26/02/2009             | 10,000                                      | 2.18   | 21,750.00                            |
| 27/02/2009             | 40,000                                      | 2.09   | 83,440.00                            |
| 02/03/2009             | 25,000                                      | 1.98   | 49,500.00                            |
| 03/03/2009             | 5,000                                       | 1.83   | 9,125.00                             |
| 05/03/2009             | 30,000                                      | 1.75   | 52,500.00                            |
| 06/03/2009             | 15,000                                      | 1.75   | 26,250.00                            |
| 09/03/2009             | 5,000                                       | 1.75   | 8,750.00                             |
| 10/03/2009             | 10,000                                      | 1.68   | 16,750.00                            |
| 12/03/2009             | 5,000                                       | 1.69   | 8,450.00                             |
| 16/03/2009             | 5,000                                       | 1.74   | 8,721.80                             |
| 18/03/2009             | 10,000                                      | 1.83   | 18,300.00                            |
| 23/03/2009             | 10,557                                      | 1.81   | 19,118.73                            |
| 30/03/2009             | 25,000                                      | 1.85   | 46,250.00                            |
| 31/03/2009             | 10,000                                      | 1.82   | 18,200.00                            |
| 01/04/2009             | 12,416                                      | 1.75   | 21,728.00                            |
| 06/04/2009             | 41,875                                      | 1.90   | 79,362.50                            |
| 07/04/2009             | 10,000                                      | 1.83   | 18,300.00                            |
| 20/04/2009             | 282   | 1.95   | 549.90                               |
| 12/05/2009             | 3,000                                       | 2.65   | 7,950.00                             |
| 13/05/2009             | 8,000                                       | 2.55   | 20,400.00                            |
| 18/05/2009             | 25,000                                      | 2.75   | 68,750.00                            |

***Total number of Class A Shares repurchased and held in treasury***

**3,150,408**

- 4.4 As at 13 November 2009 (the latest practicable date prior to the publication of this document), the Company held 3,150,408 Class A Shares of par value US\$0.01 in treasury. The Class A Shares held in treasury have a book value of US\$9.2 million as at 13 November 2009 (the latest practicable date prior to the publication of this document). No Class B Shares are currently held in treasury.
- 4.5 100 per cent. of issue Class B Shares are held by the Trustee. For further information on the rights attaching to Class A Shares and Class B Shares, please refer to paragraph 5 of this Part VI below.
- 4.6 By virtue of the Trustee's holding of Class B Shares described in paragraph 4.5 of this Part VI above, the Trustee, save as disclosed elsewhere in this document and subject to the Articles (a summary of which is set out under paragraph 5 of this Part VI below) may exercise direct control over the Company. The Articles seek to prevent the abuse of such control by reserving certain

matters, including any adverse change to the rights attaching to a class of Shares, to the Class A Shareholders and/or the ZDP Shareholders (as applicable) voting at a separate class meeting of the Shareholders of such relevant class of Shares.

- 4.7 The Class A Shares and the Class B Shares have been issued and created in accordance with the Articles and the Companies Law. The ZDP Shares will be issued pursuant to a resolution of the Board and in accordance with the Articles and the Companies Law.
- 4.8 The ZDP Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such ZDP Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where ZDP Shares are held in certificated form, share certificates will be sent to the registered members or their nominate agent (at their own risk) within 10 days of the completion of the registration process or transfer, as the case may be, of the ZDP Shares. Where ZDP Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, Capita Registrars (Guernsey) Limited, whose registered address is set out on page 35 of this document, maintains a register of Shareholders holding their Shares in CREST.
- 4.9 Pursuant to the Articles, the Company may from time to time by ordinary resolution of the Class B Shareholder increase its share capital by such sum, to be divided into shares of such new or existing class and amount, as the resolution shall prescribe. In addition, the Company may by ordinary resolution:
  - 4.9.1 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
  - 4.9.2 sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum and Articles, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;
  - 4.9.3 cancel any Shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled;
  - 4.9.4 convert the whole, or any particular class, of its Shares into redeemable Shares;
  - 4.9.5 issue Shares which shall entitle the holder to no voting right or entitle the holder to a restricted voting right;
  - 4.9.6 convert all or any of its fully paid Shares the nominal amount of which is expressed in a particular currency into fully paid Shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein.
- 4.10 None of the actions specified in paragraph 4.9 above shall be deemed an action requiring the approval of Class A Shareholders and ZDP Shareholders pursuant to the rights attached to those Shares.
- 4.11 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

## **5. Memorandum and Articles**

**The following is a description of the material terms of the Articles (including key rights and terms of issue of the Shares) and is qualified in its entirety by reference to all of the provisions of the Articles.**

The Articles were adopted pursuant to a resolution passed by the Class B Shareholder on 13 November 2009 and contain the provisions below.

#### 5.1 **Objects**

The Memorandum provides that the Company's objects and purpose is, amongst other things, to carrying on the business of an investment company. The objects of the Company are set out in full in clause 3 of the Memorandum (which by virtue of the Companies Law shall be read as forming part of the Articles), which is available for inspection at the registered office of the Company and as stated in paragraph 14 below.

#### 5.2 **Rights as to Income**

##### 5.2.1 *As to income:*

- (A) the Class A Shares and the Class B Shares carry the right to receive income from the Company; and
- (B) the ZDP Shares carry no right to receive income from the Company, whether by way of dividend or otherwise.

#### 5.3 **Return of Capital and Winding-Up**

5.3.1 As to a return of capital or a winding-up of the Company (other than by way of a repurchase or redemption of Class A Shares in accordance with the provisions of the Articles and the Companies Law):

- (A) first, there shall be paid to the ZDP Shareholders an amount equal to 100 pence per ZDP Share as increased each day up to and including 31 May 2017 at such rate compounded daily as will give a final entitlement of 169.73 pence on 31 May 2017;
- (B) second, there shall be paid to the Class A Shareholders and the Class B Shareholders the nominal amount paid up on their Class A Shares or Class B Shares, respectively; and
- (C) third, there shall be paid to the Class A Shareholders and the Class B Shareholders the surplus assets of the Company available for distribution.

#### 5.4 **Voting**

##### *General*

5.4.1 Except in the circumstances set out in paragraphs 5.4.4, 5.4.5, 5.4.15 and 5.4.16 below, Class A Shareholders shall not have the right to attend or vote at any general meeting of the Company.

5.4.2 Except in the case of a ZDP Liquidation Resolution and in the circumstances set out in paragraphs 5.4.6 and 5.4.9 below, ZDP Shareholders shall not have the right to attend or vote at any general meeting of the Company.

5.4.3 The Class B Shareholders shall have the right to receive notice of general meetings of the Company and shall have the right to attend and vote at all general meetings, provided that the Class B Shareholders shall have no right to vote on a ZDP Liquidation Resolution.

##### *Class rights of the Class A Shareholders*

5.4.4 The Company shall not, without the prior approval of the Class A Shareholders by ordinary resolution passed at a separate general meeting of the Class A Shareholders, take any action to:

- (A) pass a resolution (other than a ZDP Liquidation Resolution) for the voluntary liquidation or winding-up of the Company; or
- (B) change the rights conferred upon the Class A Shareholders in a manner adverse to the Class A Shareholders.

5.4.5 Where, by virtue of the provisions of paragraph 5.4.4 or paragraphs 5.4.15 or 5.4.16 Class A Shareholders are entitled to vote, every Class A Shareholder present in person, by proxy or by a duly authorised representative (if a corporation) at a meeting shall, in relation to such business, upon a show of hands have one vote and upon a poll every such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in relation to such business, have one vote in respect of every Class A Share held by him.

*Class Rights of the ZDP Shareholders*

5.4.6 Subject to paragraphs 5.4.8, 5.4.9, 5.4.10, 5.4.11 and 5.4.12 below, the Company shall not, without the prior approval of the ZDP Shareholders by ordinary resolution passed at a separate general meeting of the ZDP Shareholders:

- (A) pass a resolution (other than a ZDP Liquidation Resolution, a Recommended Resolution or a Reconstruction Resolution) for the voluntary liquidation or winding-up of the Company, such winding-up to take effect prior to the ZDP Repayment Date;
- (B) change the rights conferred upon the ZDP Shareholders in a manner adverse to the ZDP Shareholders;
- (C) other than in relation to the issue of ZDP Shares pursuant to the Prospectus, issue further shares or securities, or rights to subscribe for or to convert or exchange any securities into shares or securities or reclassify any shares if the Cover Test is not satisfied;
- (D) pass a resolution, other than a ZDP Liquidation Resolution, a Recommended Resolution or a Reconstruction Resolution amending the provisions of paragraphs 5.4.8 and 5.4.9 below or releasing the Board from its obligation to convene a general meeting at which a ZDP Liquidation Resolution is to be proposed or to compulsorily redeem the ZDP Shares on the ZDP Redemption Date;
- (E) pass a resolution, other than a ZDP Liquidation Resolution, a Recommended Resolution or a Reconstruction Resolution, to reduce the capital of the Company in any manner, unless the Cover Test is satisfied;
- (F) redeem or repurchase any Class A Shares or Class B Shares in the Company, unless (1) the Cover Test is satisfied, or (2) at the same time as the redemption or repurchase of the Class A Shares and/or Class B Shares, the Company also offers to redeem or repurchase ZDP Shares *pro rata* with the Class A Shares and/or Class B Shares redeemed or repurchased, such that the Cover after such redemption or repurchase of ZDP Shares would be equal to or greater than the Prior Cover;
- (G) make any material change to the Company's investment policy as set out in the Prospectus which, at the time of making such change, appears likely in the reasonable opinion of the Directors of the Company to be materially prejudicial to the ZDP Shareholders;
- (H) pass any resolution which authorises the Directors to pay a dividend or other distribution out of the capital reserves of the Company other than a purchase of shares permitted under sub-paragraph (E) above, unless the Cover Test is satisfied;
- (I) agree any increase to the maximum amount that may be drawn down on the Facility or enter into any additional credit facility on or after the date of the Class Meeting (a "**credit increase**") unless (1) the maturity date of the Facility (as so increased) or of any additional credit facility is to occur after the ZDP Repayment Date; or (2) immediately after completion of the proposed credit increase, the ratio of (x) the Company's net asset value (as calculated in accordance with the Articles, and published by the Company in the month immediately preceding the proposed credit increase) to (y) the aggregate maximum amount that the Company would be entitled to draw down on the Facility and any additional credit facilities, subject to any

adjustment to (x) and (y) that the Directors consider necessary and appropriate (the “**credit ratio**”) would be no lower than the credit ratio as calculated on the date on which the Prospectus is published or, where the ZDP Shareholders have previously approved a credit increase pursuant to this sub-paragraph 5.4.6 (I), as calculated immediately after that credit increase.

5.4.7 *For the purposes of sub-paragraphs 5.4.6 (C), (E), (F) and (H) above:*

- (A) The “**Facility**” means the US\$250 million Multicurrency Revolving Credit Facility entered into between the (1) the Company, and (2) the Governor and Company of the Bank of Scotland on 14 August 2007 as refinanced, replaced or restructured from time to time (at the Directors’ discretion, but subject always to sub-paragraph 5.4.6 (I) above).
- (B) The “**Cover Test**” is that the Directors shall have calculated that, were the proposed action pursuant to sub-paragraph 5.4.6 (C), (E), (F) or (H) above (as applicable) to take place in full on the date specified by the Directors for such calculation (the “**Calculation Date**”) the Cover would be not less than the lower of (i) the Prior Cover and (ii) 2.
- (C) The “**Prior Cover**” on the ZDP Shares shall represent a fraction, calculated immediately prior to the Calculation Date, where the denominator is equal to the final capital entitlement payable in respect of those ZDP Shares in issue on the Calculation Date as a class, plus the aggregate amount payable on maturity in respect of any of the Company’s Liabilities due to mature or otherwise become fully and finally payable (for the avoidance of doubt in the case of the Facility, meaning the termination date of the Facility, currently being 13 August 2014) on or before the ZDP Repayment Date; and the numerator is equal to the Company’s gross asset value (as calculated by the Manager as at the final day of the preceding month).
- (D) The “**Cover**” on the ZDP Shares shall represent a fraction, calculated as at the Calculation Date, where the denominator is equal to the final capital entitlement payable in respect of those ZDP Shares in issue on the Calculation Date as a class, plus the aggregate amount payable on maturity in respect of any of the Company’s Liabilities due to mature or otherwise become fully and finally payable (for the avoidance of doubt in the case of the Facility, meaning the termination date of the Facility, currently being 13 August 2014) on or before the ZDP Repayment Date; and the numerator is equal to the Company’s gross asset value (as calculated by the Manager, on a pro forma basis, as at the final day of the preceding month as if the proposed actions pursuant to sub-paragraph 5.4.6(C), (E), (F) or (H) above had occurred, subject to such other adjustments as the Directors consider necessary or appropriate).
- (E) For the purposes of sub-paragraphs 5.4.7(C) and 5.4.7(D) above, “**Liabilities**” means the Facility, any additional credit facility, any preference shares or zero dividend preference shares, or any debt securities, loan notes or commercial paper.

5.4.8 The Company will redeem all of the ZDP Shares on the ZDP Repayment Date. The price per ZDP Share at which the ZDP Shares will be redeemed will be as provided for in paragraph 5.3.1(A). Redemption of the ZDP Shares will be subject to any restrictions imposed by the Companies Law or any other applicable legislation or regulation.

5.4.9 If the Company is unable or fails to redeem all of the ZDP Shares on the ZDP Repayment Date in the manner described in paragraph 5.4.8 above then, subject to the provisions of paragraphs 5.4.10 and 5.4.11 below, (1) the Directors shall convene an extraordinary general meeting of the Company to be held as soon as reasonably practicable following the ZDP Repayment Date at which a special resolution (the “**ZDP Liquidation Resolution**”) will be proposed (and recommended by the Directors) requiring the Company to be wound

up voluntarily forthwith, pursuant to the Companies Law, and in the manner described under the heading “Return of Capital and Winding Up” above; and (2) the provisions of paragraph 5.4.12 below shall apply in relation to such ZDP Liquidation Resolution.

- 5.4.10 If any offer is made (whether by the Company or any other person) to all the ZDP Shareholders (other than the offeror and/or persons acting in concert with the offeror) which becomes or is declared unconditional in all respects prior to the 31 May 2017, and which enables ZDP Shareholders to receive no later than 14 June 2017 an amount in cash not less than that to which the Directors estimate (so far as practicable at the time) that such ZDP Shareholders would otherwise have been entitled on a redemption in accordance with the Articles on 31 May 2017 (whether or not such offer is accepted in any particular case and ignoring any option to receive alternative consideration) and such offer is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable, then unless the Board considers that the aforementioned offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer, (a) paragraphs 5.4.8 and 5.4.9 shall not apply and (b) the provisions of paragraph 5.4.12 below shall apply to the ZDP Shareholders in relation to any resolution or resolutions proposed at any separate meeting of the ZDP Shareholders relating to such offer (a “**Recommended Resolution**”).
- 5.4.11 If at any time on or before 31 May 2017 a resolution or resolutions (a “**Reconstruction Resolution**”) is proposed at any general meeting of the Company or at any separate meeting of the ZDP Shareholders (including any meeting to be convened to consider the winding-up of the Company) to approve any form of arrangement which enables the ZDP Shareholders to receive, no later than 14 June 2017, an amount in cash not less than that to which the Directors estimate (so far as practicable at the time) that such ZDP Shareholders would otherwise have been entitled on a redemption in accordance with the Articles on 31 May 2017 (ignoring any option to receive their entitlements otherwise than in cash) and such arrangement is recommended by the Directors and stated to be, in the opinion of a financial adviser appointed by the Directors, fair and reasonable then, unless the arrangement is not implemented in accordance with its terms, (a) paragraphs 5.4.8 and 5.4.9 shall not apply and (b) the provisions of paragraph 5.4.12 below shall apply to the ZDP Shareholders in relation to such Reconstruction Resolution.
- 5.4.12 Where this paragraph 5.4.12 applies in respect of any ZDP Liquidation Resolution, Recommended Resolution or Reconstruction Resolution, each ZDP Shareholder present in person, by a duly authorised representative (if a corporation) or by proxy and entitled to vote shall (in respect of the votes attached to all such ZDP Shares) vote in favour of any resolution or resolutions so recommended by the Directors and, where any vote is not cast or is cast against any such resolution or resolutions, it shall be deemed to have been cast in favour by virtue of this provision. The vote on any ZDP Liquidation Resolution, Recommended Resolution or Reconstruction Resolution shall be taken on a poll.
- 5.4.13 Where, by virtue of the provisions of paragraphs 5.4.6 to 5.4.12 above, the ZDP Shareholders are entitled to vote, every such ZDP Shareholder present in person, by proxy or by a duly authorised representative (if a corporation) or by proxy at a meeting shall, in relation to such business, upon a show of hands have one vote and upon a poll every such ZDP Shareholder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in relation to such business, have one vote in respect of every ZDP Share held by him.
- 5.4.14 Notwithstanding anything to the contrary in the Articles, the passing and implementation of any ZDP Liquidation Resolution, Recommended Resolution or Reconstruction Resolution shall be deemed to be in accordance with the rights attached to the Class A Shares, the Class B Shares and the ZDP Shares, with the result that neither the passing nor

the implementation of any such resolution shall be treated as varying, modifying or abrogating such rights and so that the consent or sanction of any such class of Shares as a separate class shall not be required thereto.

*Other matters requiring approval*

5.4.15 In addition to the rights described in paragraphs 5.4.4 and 5.4.5 above, the Company shall not, without the approval of an ordinary resolution of the Class A Shareholders and an ordinary resolution of the Class B Shareholders and, in the case of (c) below, the approval of a majority of the Independent Directors:

- (A) merge, consolidate, or sell substantially all of its assets;
- (B) change the domicile of the Company;
- (C) terminate the Investment Management Agreement;
- (D) materially adversely (to the Company) amend, restate, supplement or otherwise modify the terms of the Investment Management Agreement;
- (E) enter into any transaction involving the Investment Manager or any Affiliate of the Investment Manager (other than a subscription of a limited partner interest in a newly-organised Investment Manager-managed fund, the making of a co-investment alongside the Investment Manager or an Investment Manager-managed fund or a funding or a contribution of capital pursuant to a transaction that has previously received approval pursuant to this paragraph 5.4.15), including giving any consents required under the US Investment Advisers Act of 1940, as amended (including revoking consents to any “agency cross transactions” thereunder), having an aggregate value exceeding 5 per cent. of the Company’s most recently reported NAV;
- (F) declare any dividends in excess of 14.99 per cent. of the NAV per year; or
- (G) repurchase any Class A Shares in excess of 14.99 per cent. of the NAV per year.

5.4.16 In addition to the rights described in paragraphs 5.4.4, 5.4.5 and 5.4.15 above, the Directors shall not allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any Class A Shares at a consideration per Class A Share which is less than the NAV per Class A Share unless:

- (A) otherwise determined by the Class A Shareholders (as appropriate) by ordinary resolution; or
- (B) the Independent Directors (or a duly appointed committee of them) determine that such dealing or disposal is in the best interests of the Company and for the purposes of:
  - (1) raising additional capital to fund any capital commitment of the Company;
  - (2) repaying any outstanding indebtedness of the Company; or
  - (3) any other comparable purpose.

**5.5 General meetings**

5.5.1 The annual general meeting of the Company shall be held once in every calendar year (provided not more than fifteen months have elapsed since the last such meeting) in Guernsey or such other place and at such time as the Directors may determine. An annual general meeting may also be convened in default by the Class B Shareholder in the same manner as nearly as possible as that in which annual general meetings are to be convened by Directors.

5.5.2 Notices convening the annual general meeting in each year at which the audited financial statements of the Company will be presented (together with the Directors' report and accounts of the Company) will be sent to Shareholders not later than twenty-one clear days before the date fixed for the meeting.

5.5.3 Other general meetings may be convened by the Directors from time to time by sending notices to Shareholders at their registered addresses or may be requisitioned by Shareholders holding at least one-tenth of either the Class B Shares or, in the event the Class A Shares or ZDP Shares have voting rights in respect of actions to be proposed to be taken at such a meeting, the Class A Shares or ZDP Shares or, if the Directors shall fail upon such requisition to convene the meeting requisitioned with twenty-one days (counting the day on which the request is made) then such meeting may be convened by the requisitionists in such manner as provided by the Companies Laws.

## 5.6 ***Borrowing***

The directors may exercise all powers of the Company to borrow money and give guarantees, hypothecate, mortgage, charge or pledge all or part of the Company's assets, property or undertaking and uncalled capital, or any part thereof, and, subject to compliance with the Memorandum and Articles, to issue securities whether outright or as security for any debt, liability or obligation of the Company or any third party.

## 5.7 ***Transfer of Shares***

### *Transfer of uncertificated Shares*

5.7.1 Subject to any restrictions on transfers described under this paragraph 5.7 and as set out in the Articles, any Shareholder may transfer all or any of his uncertificated Shares by means of a relevant transfer, settlement and clearing system ("**Uncertificated System**") authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the laws of Guernsey or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any Uncertificated System and accordingly no provision of the Articles shall apply in respect of an uncertificated Share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the Shares to be transferred.

### *Transfer of certificated Shares*

5.7.2 Any Shareholder may transfer all or any portion of his certificated Shares by an instrument of transfer in any usual form, or in any other form which the Board may approve, signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.

### *Registration of transfer*

5.7.3 The Directors may, subject to the Articles, refuse to register a transfer of Shares unless:

- (A) it is in respect of only one class of Shares;
- (B) it is in favour of a single transferee or not more than four joint transferees;
- (C) it is delivered for registration to the registered office of the Company or such other place as the Board may decide, accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require; and
- (D) the transfer is not in favour of any person, as determined by the Board, to whom a sale or transfer of Shares, or in relation to whom the direct or beneficial holding of Shares in circumstances (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) (a) would or could be in breach of the laws or requirements of any jurisdiction or governmental or

regulatory authority; or (b) would or might result in the Company's incurring a liability to taxation or suffering any pecuniary, fiscal, administrative or regulatory or similar disadvantage.

5.7.4 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share which is not fully paid or on which the Company has a lien, provided that this would not prevent dealings in the Share taking place on an open and proper basis on Euronext Amsterdam, the CISX and/or the SFM, as the case may be.

5.7.5 The Board may, in its absolute discretion, decline to register any transfer of Shares:

- (A) to, or for the account or benefit of, a US Person or a US Plan Investor or which contravenes the provisions of article 11.1 of the Articles (as may be amended from time to time); or
- (B) which the Board determines, in its absolute discretion, has been or would be a violation of the applicable securities laws; or
- (C) to a person to whom the transfer of Shares or whose ownership holding of any Shares might in the opinion of the Board require registration of the Company as an "investment company" under the US Investment Company Act.

5.7.6 If it shall come to the notice of the Directors that any Shares are owned directly or beneficially by:

- (A) a US Person, a person in the United States, or a US Plan Investor; or
- (B) that any shares are held or beneficially owned in a manner that would, in the absolute discretion of the Directors, prevent the Company from relying on the exemption from the obligation to register as an "investment company" under the US Investment Company Act that is set forth in Section 3(c)(7) of the US Investment Company Act; or
- (C) the holding or beneficial ownership of any shares (whether on its own or in conjunction with any other shares) would in the absolute discretion of the Board cause the assets of the Company to be considered "plan assets" within the meaning of the Plan Asset Regulations;

the Directors may give notice to such person requiring him either:

- (D) to provide the Directors within thirty days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Directors that (i) such person's holding of Shares shall not require the Company to be registered as an "investment company" under the US Investment Company Act or (ii) such person is not a US Plan Investor or (iii) such person is not holding Shares in breach of any law or requirement of any jurisdiction or governmental or regulatory authority; or
- (E) to sell or transfer his Shares to a person qualified to own the same and who is not a person described in sub-paragraphs 5.7.6 (A), 5.7.6 (B), or 5.7.6 (C) within thirty days and within such thirty days to provide the Directors with satisfactory evidence of such sale or transfer. Pending such transfer, the Directors may suspend the exercise of any consent rights and rights to receive notice of or attend a meeting and any rights to receive dividends with respect to such Shares.

5.7.7 If any person upon whom such a notice is served pursuant to paragraph 5.7.6 does not within thirty days after such notice transfer his shares to a person qualified to own the same or establish to the satisfaction of the Directors (whose judgment shall be final and binding) that he is qualified and entitled to own the Shares he shall be deemed upon the expiration of such thirty days to have forfeited his Shares and the Directors shall be empowered at their discretion to follow the procedure pursuant to paragraphs 5.7.5 through 5.7.6. If, notwithstanding the foregoing, a purported acquisition or holding of Shares is not treated

as void and of no force and effect for any reason such Shares will automatically be sold by the Directors in the open market and the net proceeds remitted to the Record Holder or, if so determined by the Directors in their sole discretion that such sale is for any reason impracticable, transferred to a charitable trust for the benefit of a charitable beneficiary, which may include the Class B Shareholder, and the purported holder will acquire no rights under these Articles or the Memorandum in such securities.

- 5.7.8 To give effect to any sale of shares pursuant to paragraph 5.7.7, the Member in question shall execute such powers of attorney or other authorisations as are required so that the transfer will be effective as if it has been executed by the holder of or person entitled by transmission to, the Shares.

## 5.8 ***Board Structure, Practices and Committees***

- 5.8.1 The structure, practices and committees of the Board, including matters relating to the size, independence and composition of the Board, the election and removal of Directors, requirements relating to Board action, the powers delegated to Board committees and the appointment of executive officers, are governed by the Articles. The following is a summary of certain provisions of the Articles that affect the Company's corporate governance.

### *Size, Independence and Composition of the Board*

- 5.8.2 The Board may consist of between five and nine Directors or such other number of Directors as may be determined from time to time by a resolution of the holder(s) of the Class B Shares. At least a majority of the Directors holding office must be independent of NBG and its affiliates using the standards for independence determined by the Board from time to time. In the event the size of the Board is greater than five, NBG will always have the right to designate a number of the Directors equal to one less than what would constitute a majority of the Board. If the death, resignation or removal of an Independent Director results in the Independent Directors constituting less than a majority of all Directors, the vacancy must be filled promptly. Pending the filling of such vacancy, the Board may temporarily consist of less than a majority of Independent Directors and those Directors not independent of NBG may continue to hold office. In addition, the Articles prohibit the Board from consisting of a majority of Directors who are United Kingdom residents or a majority of Directors who are citizens or residents of the United States.

- 5.8.3 The Board has the power to establish new committees of the Board from time to time.

### *Election and Removal of Directors*

- 5.8.4 At each annual general meeting, one-third of the Directors will stand for re-election. The Shareholders (with the exception of Class B Shareholders) are not entitled to vote for the election or removal of the Directors or with respect to certain other matters affecting corporate governance of the Company. Vacancies on the Board may be filled and additional Directors may be added by a resolution of the Class B Shareholder(s), provided that the appointment of any new Director satisfies certain eligibility requirements. Those eligibility requirements generally provide, among other things, that the Class B Shareholder(s) may not nominate a person for election to the Board unless they comply with certain advance notice requirements.
- 5.8.5 A Director may be removed from office for any reason by a written resolution of the Board requesting resignation signed by all other Directors then holding office or by a resolution duly passed by the Class B Shareholder(s). A Director will be automatically removed from the Board if he or she becomes bankrupt, insolvent or suspends payments to his or her creditors, if he or she becomes a resident of the United Kingdom or a citizen or resident of the United States and such residency or citizenship results in majority of the Board being citizens or residents of the United States or if he or she becomes prohibited by law from acting as a Director. The Articles do not require that a Director shall retire on account of attaining a specific age.

*Transactions in which a Director has an Interest*

- 5.8.6 Provided that each Director has disclosed his respective interests in accordance with the Companies Law a Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.
- 5.8.7 Provided that the Board authorises the transaction in good faith after the Director's interest has been disclosed or the transaction is fair to the Company at the time it is approved, a Director or intending Director shall not be disqualified by his office from entering into a contract or arrangement with the Company, either as vendor, purchaser, lessor, lessee, mortgagor, mortgagee, manager, agent, broker or otherwise, and no such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company, with any person, firm or company of or in which any Director shall be in any way interested shall be avoided, nor shall any person so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding the office of Director, or of the fiduciary relationship thereby established. Any Director, so contracting or being so interested as aforesaid, shall disclose at the Board meeting at which the contract or arrangement is determined upon the nature of his interest, if his interest then exists, or in any other case at the first Board meeting after the acquisition of his interest. A Director may vote in respect of any contract or arrangement in which he is so interested as aforesaid notwithstanding his interest. A Director may occupy any other office or place of profit in the Company (except that of auditor) or act in any professional capacity to the Company in conjunction with his office of Director, and on such terms as to remuneration and otherwise as the Directors shall approve.

**6. Directors and Other Interests**

- 6.1 As at 13 November 2009 (the latest practicable date prior to publication of this document), none of the Directors had any interests, including the interests of a person connected with any Director that would, if the person were a Director, be required to be disclosed, and the existence of which is known or could with reasonable diligence be ascertained by that Director, with respect to the Shares together with any options in respect of such Shares.
- 6.2 None of the Directors (including persons connected with them) intends to subscribe for any ZDP Shares under the ZDP Placing and Offer for Subscription.
- 6.3 The shareholdings of the Directors as at the date of this document are as follows:

| <i>Name</i>                 | <i>Class A<br/>Shareholding</i> |
|-----------------------------|---------------------------------|
| <b>Talmi Morgan</b>         | 10,000                          |
| <b>John Buser</b>           | 10,000                          |
| <b>John Hallam</b>          | 10,000                          |
| <b>Christopher Sherwell</b> | 9,150                           |
| <b>Peter Von Lehe</b>       | 7,500                           |

- 6.4 As at the date of this document, the Investment Manager does not hold any Shares in the Company. Save as disclosed elsewhere in this document, as far as the Company is aware, as at the date of this document, no related parties hold any Shares in the Company.
- 6.5 No Director has or has had an interest in any transactions that are or were unusual in their nature or conditions or significant to the business of the Company or that have been executed by the Company since its incorporation and that remain in any respect outstanding or unperformed.

- 6.6 The aggregate of the remuneration paid to and the benefits in kind to be granted to the Directors by the Company for the financial year ended 31 December 2008 was US\$195,000. The Chairman was paid an annual remuneration of US\$75,000 and the other Independent Directors were paid an annual remuneration of US\$60,000 each for the financial year ended 31 December 2008. Mr. Buser and Mr. Von Lehe did not receive any remuneration from the Company in respect of the financial year ending 31 December 2008.
- 6.7 There are no existing or proposed service contracts between any of the Directors and the Company. For the financial year ending 31 December 2009, the Chairman will be entitled to annual remuneration of US\$75,000 and the other Independent Directors are entitled to annual remuneration of US\$60,000 per annum each, or such other amounts as the Company may, from time to time, determine. Mr. Buser and Mr. Von Lehe will not be entitled to receive any remuneration from the Company in respect of the financial year ending 31 December 2009. No amount has been set aside or accrued by the Company to provide pension, retirements or other similar benefits. Any change to the remuneration of the Directors will be determined by ordinary resolution of the Company. The Independent Directors will be paid an additional payment of £5,000 each in connection with the ZDP Placing and Offer for Subscription.
- 6.8 Mr. Buser and Mr. Von Lehe hold interests in the Special Limited Partner and may, from time to time, receive compensation by virtue of such holdings.
- 6.9 With the exception of Mr. Buser and Mr. Von Lehe who are affiliated with NBG, all of the Directors are independent non-executive Directors and their tenure is not fixed. Their retirement and re-election will be in accordance with the Articles. No compensation or benefits are payable upon termination of their appointments. There is no notice period specified in the Articles for the removal of Directors.
- 6.10 No loan or guarantee has been granted or provided by the Company to or for the benefit of any Director.
- 6.11 Over the past 5 years preceding the date hereof, the Directors have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships:

| <i>Name</i>          | <i>Current<br/>directorships/partnerships</i> | <i>Previous<br/>directorships/partnerships</i> |
|----------------------|---|--|
| <b>Talmai Morgan</b> | AnaCap FP GP Limited                          | BRIX Global Investments Limited                |
|                      | AnaCap FP GP II Limited                       | European Investment Holdings                   |
|                      | AnaCap Derby Co-Investment GP Limited         | (Guernsey) Limited                             |
|                      | AnaCap FP Debt Opportunities GP Limited       | European Investments (Guernsey) Limited        |
|                      | Altius Associates GP Limited                  | Mayven International Limited                   |
|                      | Altius Select Europe (GP) Limited             | Mayven UK plc                                  |
|                      | BH Global Limited                             | NB PEP GP Limited                              |
|                      | BH Macro Limited                              | Peak Asia Properties Limited                   |
|                      | Bourse Trust Company Limited                  | PSource Asian Recovery Limited                 |
|                      | Close European Accelerated Fund Limited       |  |
|                      | EuroDekania Limited                           |  |
|                      | Glebe Central Cross Limited                   |  |
|                      | Glebe London Limited                          |  |
|                      | Goldman Sachs Dynamic Opportunities Limited   |  |
|                      | Mont Hubert Limited                           |  |
|                      | NB Private Equity Partners Limited            |  |
|                      | NB PEP Holdings Limited                       |  |
|                      | NB PEP Investments Limited                    |  |

| <i>Name</i>        | <i>Current<br/>directorships/partnerships</i>  | <i>Previous<br/>directorships/partnerships</i>  |
|--------------------|--|---|
|                    | NB PEP Investments LP Limited<br>Prodesse Investment Limited<br>Queen's Walk Investment Limited<br>Star Asia Finance, Limited<br>Signet Global Fixed Income<br>Strategies Limited<br>TCR1 Limited<br>TCR2 Limited<br>The Emotional Assets Fund 1<br>Limited<br>Third Point Offshore Independent<br>Voting Company Limited<br>Therium Holdings Limited<br>Trebuchet Finance Limited   |   |
| <b>John Buser</b>  | NB Private Equity Partners Limited<br>NB PEP Holdings Limited<br>NB PEP Investments Limited<br>NB PEP Investments LP Limited   | NB PEP GP Limited<br>Patton Surgical, Inc.  |
| <b>John Hallam</b> | Barclays Insurance Guernsey PCC<br>Ltd<br>Baring Coller Secondaries Fund Ltd<br>Baring Coller Secondaries Fund II<br>Ltd<br>BH Global Ltd<br>Bracken Partners Investments<br>Channel Islands Ltd<br>Calabash House Ltd<br>Cazenove Absolute Equity Ltd<br>Cognetas Fund (GP) Ltd<br>Cognetas Fund II (GP) Ltd<br>Develica Asia Pacific Ltd<br>Develica Asia Pacific Real Estate<br>Fund (GP) Ltd<br>Develica Deutschland Ltd<br>Develica Equity Partners Ltd<br>Develica Germany (GP) Ltd<br>Dexion Absolute Ltd<br>EFG Offshore Ltd<br>EFG Private Bank (Channel Islands)<br>Ltd<br>Emperor Marine Ltd<br>Genesis Administration Ltd<br>Genesis Asset Managers LLP<br>Genesis Emerging Markets<br>Opportunities Fund Ltd<br>Genesis Emerging Markets<br>Opportunities Fund Ltd II<br>Genesis Emerging Markets<br>Opportunities Fund Ltd III<br>Genesis Taihei Investments LLC<br>HSBC Infrastructure Co Ltd | Abroad Spectrum PCC Ltd<br>Anfre Insurance PCC (Guernsey)<br>Ltd<br>Bordeaux Services (Guernsey) Ltd<br>BSkyB Guernsey Ltd<br>CEDR Investment Company Ltd<br>Ciel Bleu Ltd<br>Ciel Clair Ltd<br>Ciel Gris Ltd<br>Ciel Nuageux Ltd<br>Ciel Orageux Ltd<br>Ciel Voilé Ltd<br>Danube Property Investments Ltd<br>EFG Eurobank Ergasias<br>International (CI)Ltd<br>Electra Bridge Co Ltd<br>Genesis Assets Managers LLP<br>Genesis Emerging Markets<br>Investment Co SICAV<br>Genesis Investments Ltd<br>Genesis Pacific Management Ltd<br>Genesis Smaller Companies SICAV<br>Genesis Taihei Investments Ltd<br>Gironde Ltd<br>Guernsey Financial Services<br>Commission<br>Harle Syke Ltd<br>Harlequin Insurance PCC Ltd<br>HedgeFirst Ltd<br>Lehman Brothers PEP Holdings II<br>Ltd<br>Les Echelons 1 Ltd<br>Les Echelons II Ltd<br>M&G Recovery Investment Co Ltd |

| <i>Name</i>                 | <i>Current<br/>directorships/partnerships</i>       | <i>Previous<br/>directorships/partnerships</i>                  |
|-----------------------------|---|---|
|                             | Investec Emerging Markets Currency Alpha Fund Ltd   | Mannequin Insurance PCC Ltd                                     |
|                             | Investec Expert Investment Funds PCC Ltd            | NB PEP GP Limited   |
|                             | Investec Global Energy Long Short Fund Ltd          | New Star RBC Hedge 250 Index Exchange Traded Securities PCC Ltd |
|                             | Investec Premier Funds PCC Ltd                      | Partners Group Alternative Strategies PCC Ltd                   |
|                             | Les Grandes Moulins Ltd                             | TwentytwoColomberie Ltd   |
|                             | NB PEP Holdings Ltd                                 |   |
|                             | NB PEP Investments Ltd                              |   |
|                             | NB PEP Investments LP Ltd                           |   |
|                             | NB Private Equity Partners Limited                  |   |
|                             | Olivant Ltd   |   |
|                             | Partners Group Global Opportunities Ltd             |   |
|                             | Partners Group Prime Yield sarl                     |   |
|                             | Prodesse Investment Ltd                             |   |
|                             | Septup Ltd  |   |
|                             | Sienna Investment Co Ltd                            |   |
|                             | Sienna Investment Co 2 Ltd                          |   |
|                             | Sienna Investment Co 3 Ltd                          |   |
|                             | Sienna Investment Co 4 Ltd                          |   |
|                             | Standard Life Investments Property Income Trust Ltd |   |
|                             | Standard Life Investments Property Holdings Ltd     |   |
|                             | Stapleford Insurance Co Ltd                         |   |
|                             | Tapestry Investment Co PCC Ltd                      |   |
|                             | Weightman Vizards Insurance Ltd                     |   |
| <b>Christopher Sherwell</b> | Burnaby Insurance (Guernsey) Limited                | Alpha Spectrum Inc  |
|                             | Consulta (Channel Islands) Limited                  | Alternative Asset Opportunities PCC Limited                     |
|                             | Consulta Alternative Strategy Fund PCC Ltd          | BAS Alternative Strategies SPC Inc                              |
|                             | Consulta Canadian Energy Fund Limited               | BSkyB Guernsey Limited  |
|                             | Consulta Capital Fund PCC Limited                   | BSkyB Investments (Guernsey) LLP                                |
|                             | Consulta Collateral Fund PCC Limited                | BSkyB Malta 1 Limited   |
|                             | Consulta High Yield Fund PCC Limited                | BSkyB Malta 2 Limited   |
|                             | Corazon Capital Group Limited                       | BSkyB Malta 3 Limited   |
|                             | Dexion Equity Alternative Limited                   | Cervin Growth Fund Inc  |
|                             | EMP Europe (CI) Limited                             | Ciel Bleu Ltd   |
|                             | FF&P Alternative Strategy PCC Ltd                   | Ciel Clair Ltd  |
|                             | Goldman Sachs Dynamic Opportunities Limited         | Ciel Gris Ltd   |
|                             | Henderson Global Property Companies Ltd             | Ciel Nuageux Ltd  |
|                             | Hermes Commodities Umbrella Fund Limited            | Ciel Orageux Ltd  |
|                             | IRP Property Investments Limited                    | Ciel Voilé Ltd  |
|                             |   | Diversified Alpha Select Z Inc                                  |
|                             |   | Fox Paine Guernsey GP Limited                                   |
|                             |   | GAM Alpha Select Inc  |
|                             |   | GAM Apex Strategy SPC Inc                                       |
|                             |   | GAM Composite Absolute Return Access Inc                        |
|                             |   | GAM Diversity II Investments Inc                                |

| <i>Name</i>           | <i>Current<br/>directorships/partnerships</i>     | <i>Previous<br/>directorships/partnerships</i>                      |
|-----------------------|---|---|
|                       | JP Morgan Progressive Multi-Strategy Fund Limited | GAM Equity One Inc  |
|                       | Mid Europa III Management Limited                 | GAM European Focus Inc  |
|                       | NB Private Equity Partners Limited                | GAM EuroSystematic Value Hedge Inc                                  |
|                       | NB PEP Holdings Limited                           | GAM Global Emerging Markets Hedge Inc                               |
|                       | NB PEP Investments Limited                        | GAM Greater China Equity Hedge Inc                                  |
|                       | NB PEP Investments LP Limited                     | GAM Institutional Alpha Strategies Inc                              |
|                       | Prodesse Investment Limited                       | GAM MP Access SPC Inc   |
|                       | Raven Russia Limited                              | GAM MP Multi-Asia Pacific Inc                                       |
|                       | Rufford & Ralston PCC Limited                     | GAM MP Multi-Emerging Markets Inc                                   |
|                       | Rutley European Property Limited                  | GAM MP Multi-Europe Inc   |
|                       | Saltus European Debt Strategies Limited           | GAM MP Multi-Japan Inc  |
|                       | Schroder Oriental Income Fund Limited             | GAM MP US Equity Relative Return Inc                                |
|                       | Strategic Investment Portfolio GP Limited         | GAM Multi-Commodities Inc   |
|                       | The Clifford Estate (Chattels) Limited            | GAM Multi-Japan Inc   |
|                       | The Clifford Estate Company Limited               | GAM Multi-North America Inc   |
|                       | The Prospect Japan Fund Limited                   | GAM Portable Alpha Inc  |
|                       |   | GAM Portable Diversity/S&P500 Inc                                   |
|                       |   | GAM Starboard Inc   |
|                       |   | GAM Trading (No.25) Inc   |
|                       |   | GSC Credit Limited  |
|                       |   | Henderson Global Property Companies (Luxembourg) Sarl               |
|                       |   | Hermes Absolute Return Fund (Guernsey) Limited                      |
|                       |   | MP Reserved Inc   |
|                       |   | NB PEP GP Limited   |
|                       |   | New Star RBC Hedge 250 Index Exchange Traded Securities PCC Limited |
|                       |   | Select Alternative Investments Inc                                  |
|                       |   | Ugbrooke Properties Limited   |
| <b>Peter Von Lehe</b> | NB Private Equity Partners Limited                | NB PEP GP Limited   |
|                       | NB PEP Holdings Limited                           |   |
|                       | NB PEP Investments Limited                        |   |
|                       | NB PEP Investments LP Limited                     |   |

6.12 Save as disclosed herein, as at the date of this document, there are no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any Shares.

6.13 As detailed above, Mr. Sherwell was a director of BSKyB Malta 1 Limited, BSKyB Malta 2 Limited, BSKyB Malta 3 Limited, Ciel Bleu Ltd, Ciel Clair Ltd, Ciel Gris Ltd, Ciel Nuageux Ltd, Ciel Orageux Ltd, Ciel Voilé Ltd, GAM Diversity III Investments Inc. and New Star RBCHedge 250 Index Exchange Traded Securities PCC Ltd. All of these entities have now been either dissolved via solvent voluntary liquidation or are currently in solvent voluntary liquidation.

- 6.14 As detailed above, Mr. Hallam was a director of Ciel Bleu Ltd, Ciel Clair Ltd, Ciel Gris Ltd, Ciel Nuageux Ltd, Ciel Orageux Ltd, Ciel Voilé Ltd, EFG Eurobank Ergasias International (CI) Ltd, Gironde Ltd, HedgeFirst Ltd, M&G Recovery Investment Co Ltd and New Star RBC Hedge 250 Index Exchange Traded Securities PCC Ltd. All of these entities have now been either dissolved via solvent voluntary liquidation or are currently in solvent voluntary liquidation.
- 6.15 Save as stated elsewhere in this document, as at the date of this document, none of the Directors:
- 6.15.1 has any convictions in relation to fraudulent offences for at least the previous five years;
- 6.15.2 has been bankrupt or been a director of any company or has been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer, at the time of any receivership or compulsory or creditors' voluntary liquidation for at least the previous five years; or
- 6.15.3 has been subject to any official public incrimination of him and/or sanctions by any statutory or regulatory authority (including designated professional bodies) nor has he been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer, for at least the previous five years.
- 6.16 The business address of each of the Directors is P.O. Box 225, Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY.

## 7. Substantial Share Interests

### 7.1 Major Shareholders

As at 13 November 2009 (the latest practicable date prior to the publication of this document), the Company is not aware of any persons who can or, immediately following the ZDP Placing and Offer for Subscription could, directly or indirectly, jointly or severally, exercise control over the Company following Admission.

As at 13 November 2009 (the latest practicable date prior to the publication of this document), insofar as is known to the Company, the following persons were interested, directly or indirectly, in 5 per cent. or more of the Class A Shares in issue (excluding Class A Shares held in treasury):

| <i>Class A Shareholder</i>             | <i>Number of<br/>Class A Shares</i> | <i>Percentage<br/>of total<br/>Class A Shares</i> |
|--|-------------------------------------|---|
| Lehman Brothers Offshore Partners Ltd. | 15,302,319                          | 29.97   |
| <i>Total</i>                           | <u>15,302,319</u>                   | <u>29.97</u>                                      |

As at 13 November 2009 (the latest practicable date prior to the publication of this document), insofar as is known to the Company, the following persons were interested, directly or indirectly, in 5 per cent. or more of the Class B Shares in issue:

| <i>Class B Shareholder</i>                          | <i>Number of<br/>Class B Shares</i> | <i>Percentage<br/>of total<br/>Class B Shares</i> |
|---|-------------------------------------|---|
| NB Private Equity Partners Limited Charitable Trust | 10,000                              | 100   |
| <i>Total</i>  | <u>10,000</u>                       | <u>100</u>  |

There are no Class B Shares currently held in treasury. The voting rights of the major shareholders in the Company referred to above are no different to those of other Shareholders of the same class in the Company.

Neither NBG nor any of its affiliates intended to subscribe for ZDP Shares under the ZDP Placing and Offer for Subscription.

Insofar as the Company is aware, no other major shareholder intends to subscribe for ZDP Shares under the ZDP Placing and Offer for Subscription and no person intends to subscribe for more than five per cent. of the ZDP Shares being offered pursuant to the ZDP Placing and Offer for Subscription.

As at the date of this document the Company, insofar as it is aware, is not directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which of may subsequently result in a change of control of the Company.

## 7.2 *Disclosure of Shareholdings under Netherlands Law*

Pursuant to the Netherlands Financial Supervision Act, any person who, directly or indirectly, acquires or disposes of an interest in the capital or voting rights of the Company must immediately give written notice to the AFM by means of a standard form or electronically, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the Company falls on or crosses (whether by exceeding or falling below) the following thresholds: 5, 10, 15, 20, 25, 30, 40, 50, 60, 75 and 95 per cent. of the voting rights or capital interests in the issued capital of the Company.

A notification requirement also applies if a person's capital interest or voting right meets or passes a threshold as a result of a change in the Company's issued capital or voting rights. Such notification has to be made no later than the fourth trading day after the AFM has published the Company's notification. The Company is required to notify the AFM immediately of changes to its total share capital or voting rights if its share capital or voting rights changes by 1 per cent. or more since the Company's previous notification. Changes of less than 1 per cent. to its share capital or voting rights have to be notified to the AFM by the Company every quarter. Changes notified by the Company will be made available in a public register of the AFM.

Dutch law provides for civil, administrative and criminal sanctions for a violation of the applicable disclosure requirements. The AFM keeps a public register of all notifications made by shareholders pursuant to the Netherlands Financial Supervision Act.

## 8. **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, are all of the contracts that have been entered into by the Company since the date of its incorporation and which are, or may be, material to the Company, or are all of the contracts which have been entered into by the Company and contain any provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

### 8.1 *Investment Management and Services Agreement*

The Company, the Investment Partnership and the Investment Manager entered into the Investment Management and Services Agreement on 25 July 2007 (as amended and restated on 25 January 2008), whereby the Investment Manager, subject to the overall supervision of the Directors, was appointed as the Company's investment manager and under the terms of which the Investment Manager will manage, control, and conduct their primary affairs, and perform certain other services for the Company and the Investment Partnership.

The Investment Management and Services Agreement continues for a period of seven years (the "**Initial Term**"), but will be automatically renewed at the end of each year for an additional one-year period on the terms and conditions in effect as at the end of the Initial Term.

The Investment Management and Services Agreement is terminable in certain limited circumstances, for example where there is a material breach of the agreement which remains unremedied within 30 days or upon certain events relating to bankruptcy or insolvency of the Company. The Investment Management and Services Agreement is terminable on 30 days' notice given by either the Company (in accordance with the Articles) or the Investment Manager, and the payment of a termination fee to the Investment Manager.

In exchange for the services rendered under the Investment Management and Services Agreement, the Company and the Investment Partnership have jointly and severally agreed to pay the Investment Manager an annual Management Fee equal to the NAV of the Company's private equity and opportunistic investments multiplied by 1.5 per cent. The Management Fee is paid quarterly in arrear based on the NAV of the Company's private equity and opportunistic investments at the end of a relevant quarter. Any investment made as a limited partner of a primary fund of funds, secondary fund or co-investment fund managed by the Investment Manager is excluded from the NAV of private equity calculation as it relates to the Management Fee. The Company does not pay Management Fees to the Investment Manager on cash and short-term investments under the Investment Management and Services Agreement. The Investment Manager has discretion under the Investment Management and Services Agreement to determine in good faith what constitutes cash or short term investment for the purposes of Management Fee calculations. The Management Fee that is payable under the Investment Management and Services Agreement is not subject to reduction based on any other fees that the Investment Manager or its affiliates receive in connection with the Company's investments.

In addition to the Management Fee, the Investment Manager receives an Administrative Fee in an annualised amount equal to the NAV of the Company's private equity and opportunistic investments multiplied by 0.1 per cent. The Administrative Fee accrues monthly and is paid quarterly in arrear with ninety (90) per cent. payable as soon as practicable after the publication of the NAV for the month ending that fiscal quarter, and the remainder payable as promptly as reasonably practicable after the completion of quarterly reviews or annual audit of the Investment Partnership (as applicable).

The Investment Management and Service Agreement contains provisions under which the Company exempts and indemnifies the Investment Manager and its affiliates against liability in the absence bad faith, fraud, wilful misconduct or gross negligence or if criminal liability, the Investment Manager's knowledge of the action to be unlawful.

## 8.2 *Administration Agreement*

The Company and the Administrator entered into the Administration Agreement on 3 July 2007 (as amended by side letter on 22 June 2009 and 16 November 2009), whereby the Company appointed the Administrator to act as administrator and company secretary to the Company.

The Administration Agreement is terminable in certain limited circumstances, for example where there is a material breach of the agreement which remains unremedied within 30 days or upon certain events relating to bankruptcy or insolvency of either party. The Administration Agreement is terminable on 90 days notice given by either party. The Administration Agreement contains customary warranties and indemnities given to the Administrator.

The Administrator will be entitled to a fee of based upon time spent at chargeable rates notified in writing to the Company on 3 July 2007, subject to a minimum administration fee of £50,000 per annum. The Administrator will also be entitled to be reimbursed for all reasonable and properly evidenced out of pocket expenses incurred by it in the performance of its duties under the Administration Agreement.

## 8.3 *Credit Facility Agreement*

The Company and the Investment Partnership (together, the "**Borrower**") entered into the Credit Facility Agreement with The Governor and Company of the Bank of Scotland (and other parties) on 14 August 2007 (as amended on 16 October 2008) to provide a revolving credit facility with a total commitment of US\$250,000,000. The term of the Credit Facility is seven years and expires in August 2014. As at 30 September 2009 (the latest practicable date prior to the publication of this document), US\$116.7 million has been borrowed and substantially all assets have been pledged pursuant to the following:

- (A) a security interest in the Borrower's interest in substantially all eligible funds or co-investments;

- (B) an undertaking to dispose of the Borrower's assets in the event of continued default;
- (C) a security interest in the Borrower's bank accounts;
- (D) a pledge over the share capital of any current or future subsidiary of the Borrower, provided such an arrangement would not violate the terms of the investment;
- (E) an assignment by the Borrower over future cash flows of its private equity investments;
- (F) a negative pledge by the Borrower in respect of the general partnership interests held; and
- (G) an assignment of the Borrower's rights under any key transactional documents entered into by the Borrower.

The Borrower may, upon five written days' notice, prepay the whole or any part of the loan (with a minimum payment of US\$10,000,000) without premium or penalty. The Credit Facility may be cancelled in certain limited circumstances, for example, upon the sale of substantially all of the assets of the Borrower under the Credit Facility. The Borrower may cancel the Credit Facility in whole or part (with a minimum amount of US\$10,000,000) upon not fewer than five written days notice. Where the NAV is less than US\$50,000,000 or the Borrower own fewer than 10 fund investments, the Borrower shall prepay the Credit Facility in an amount equal to the amount of any distributions received by the Borrower under the Credit Facility.

Under the terms of the Credit Facility Agreement, the Borrower is required to meet certain portfolio diversification tests, a minimum fund/co-investment threshold, maximum exposure limitations, a maximum debt to value ratio, a maximum debt to secured assets ratio and a maximum over-commitment test. In addition, the Credit Facility Agreement limits the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers, repurchase of shares, liens or other matters customarily restricted in such agreements. As at 30 September 2009 (the latest practicable date prior to the publication of the document), the Borrower met all requirements under the Credit Facility.

All borrowings under the Credit Facility Agreement bear interest at a floating rate, calculated as LIBOR or Euribor, as appropriate, plus 1.35 per cent. per annum. As at 30 September 2009 (the latest practicable date prior to the publication of this document), interest rates on the outstanding balance range from 1.64 per cent. to 1.66 per cent.

In addition, the Borrower is required to pay a non-utilisation fee calculated as 40 basis points per annum on the daily balance of the unused Credit Facility amount. For the nine month period ended 30 September 2009, the Borrower incurred and expensed US\$2,237,714 for interest and US\$355,241 for commitment fees related to the Credit Facility. As at 30 September 2009 and 31 December 2008, unamortised capitalised debt issuance costs were US\$1,894,815 and US\$2,191,764, respectively. Capitalised amounts are being amortised on a straight-line basis over the term of the Credit Facility. Amortised capitalised debt issuance costs were US\$296,949 for the nine month period ended 30 September 2009.

#### 8.4 *Liquidity Enhancement Contract*

For information relating to the Liquidity Enhancement Contract and purchases of Class A Shares by the Company, please refer to the paragraph 9 below headed "Share Repurchases".

#### 8.5 *Investment Partnership Agreement*

The Special Limited Partner and the General Partner entered into the Investment Partnership Agreement on 25 July 2007, as amended and restated on 16 July 2008.

The Investment Partnership Agreement is terminable in certain limited circumstances, for example, the disposal and distribution of all assets, and the occurrence of certain bankruptcy or insolvency events. The Investment Partnership Agreement may also be terminated upon the election of the General Partner.

Under the terms of the Investment Partnership Agreement, the Special Limited Partner is entitled to a carried interest. In the event that the Company's internal rate of return for any performance period (defined below), determined on a mark-to-market basis, exceeds 7.5 per cent. as of the last business day of that performance period, the Special Limited Partner will generally be entitled to a carried interest in an amount equal to 7.5 per cent. of the increase in the NAV (after deduction of the applicable management and administrative fees and other expenses) for that performance period. Carried interests are subject to the "net loss carry-forward" provisions described below. Interests in the Special Limited Partner are held by certain members of the Investment Manager's investment team and NBG.

The carried interest that is payable in respect of any performance period will be reduced by an amount equal to the sum of any cash that the Company or the Investment Partnership, as a limited partner of a primary fund of funds, co-investment fund or secondary fund managed by the Investment Manager, pay the Investment Manager during such period in respect of the carried interests of any such fund (or capital that the Company contributes to any such fund for such purpose). To the extent that the amount of reductions to the carried interest in a particular performance period exceed the amount of the carried interest that would otherwise be payable, the Investment Manager will be required to credit the difference against any future carried interest that may become payable in future periods. Under no circumstances, however, will credited amounts be reimbursed or reduce the carried interest payable in respect of any performance period to below zero.

A "performance period" means the period beginning on the first business day following the last business day of the immediately preceding period, as the case may be, and ending on the next succeeding December 31st (or, if such date is not a business day, the last preceding business day) or such other days as may be set fourth in the Investment Partnership Agreement.

The carried interest is subject to a "net loss-carry forward" or "high water mark" provision under which net losses and management fees as of the end of each performance period are carried forward to subsequent performance periods. No carried interests will be made in any performance period until, and carried interests will be made for any performance period only to the extent that, subsequent net profits exceed such cumulative net losses and management fees.

The Special Limited Partner may waive or defer all or a part of any carried interest otherwise due.

The Special Limited Partner may receive a cash advance from the Investment Partnership against distributions of carried interest to the Special Limited Partner to the extent that distributions of carried interest actually received by the Special Limited Partner are not sufficient for the Special Limited Partner or any of its beneficial owners to pay when due any income tax imposed on it or them that is attributable to income allocated to the Special Limited Partner under the Investment Partnership Agreement. Amounts of carried interest otherwise to be distributed by the Special Limited Partner will be reduced by the amount of any such advances until all such advances are restored to the Investment Partnership in full.

## 8.6 *Placing and Offer Agreement*

The Company, the Investment Manager, Investment Partnership and the Placing Agent entered into the Placing and Offer Agreement on 16 November 2009, pursuant to which, subject to certain conditions, the Placing Agent has agreed to procure purchasers for the ZDP Shares, in each case at the Issue Price.

The Placing and Offer Agreement is conditional on, among other things:

- (A) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission;
- (B) Admission occurring by 0800 hours on 1 December 2009 (or such later date, not being later than 8 December 2009, as the Company and the Placing Agent may agree).

The Placing and Offer Agreement also contains terms including:

- (A) The Company has appointed Oriel Securities Limited as Placing Agent.
- (B) The Placing and Offer Agreement is governed by English law.
- (C) The Placing Agent will be entitled to be paid the Placing Commission, such sum to be payable by the Company from the Total Gross Proceeds. The Placing Commission will comprise:
  - a corporate finance and documentation fee of £100,000; and
  - 1.25 per cent of the Total Gross Proceeds.
- (D) The Company, the Investment Partnership and the Investment Manager have given certain customary warranties to the Placing Agent including, amongst others, warranties in relation to the business, the accounting records and the legal compliance of the Company, the Investment Partnership and the Investment Manager and in relation to information contained in this document.
- (E) The Placing Agent may withdraw from the Placing and Offer Agreement and the ZDP Placing in certain limited circumstances.

## **9. Share Repurchases**

### **9.1 *Class B Shareholder authority***

An ordinary resolution of the Class B Shareholders was duly passed on 26 June 2009 resolving that the Company be generally and unconditionally authorised to repurchase up to 14.99 per cent. of its Class A Shares in issue as at 31 May 2009. Class A Shares will be repurchased pursuant to such Class B Shareholder authority only at prices below the prevailing NAV per Class A Share when the Board believes such purchases will result in an increase in the NAV per Class A Share of the remaining Class A Shares and as a means of addressing any imbalance between the supply of and demand for Class A Shares. Any Class A Share repurchased will either be cancelled or held in treasury.

Class A Shares may be repurchased pursuant to such Class B Shareholder authority on, as applicable, Euronext Amsterdam (pursuant to and in accordance with the Liquidity Enhancement Contract described below) and on the SFM, provided that:

- (A) the maximum number of Class A Shares authorised to be purchased is up to 14.99 per cent. per year of the Class A Shares in issue as at 31 May 2009;
- (B) the minimum price which may be paid for a Class A Share is US\$0.01;
- (C) the maximum price which may be paid for a Class A Share is an amount equal to the higher of (a) 5 per cent. above the average market value of the Class A Shares on the regulated market where the repurchase is carried out for the five business days before the purchase is made and (b) the higher of (i) the price of the last independent trade and (ii) the highest current independent bid price, in each case on the regulated market where the purchase is carried out;
- (D) such authority shall expire at the annual general meeting of the Company in 2010 unless such authority is varied, revoked or renewed prior to such date by a special resolution of the Company in general meeting; and
- (E) the Company may make a contract to purchase Class A Shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration and the Company may make a purchase of Class A Shares pursuant to any such contract.

The Company may borrow and/or realise investments in order to finance such Class A Share purchases. Any purchase of Class A Shares by the Company will be made in accordance with the Companies Law (including the solvency test contained therein), the Articles and such other rules and regulations as may be applicable in the circumstances. In addition, purchases of Class A Shares by the Company are subject to restrictions under the Credit Facility Agreement.

Investors should note that the exercise by the Board of its powers to repurchase Class A Shares, either pursuant to a tender offer or the general Class B Shareholder authority (including the continuation of the Liquidity Enhancement Contract described below), is entirely discretionary and they should place no expectation or reliance on the Board exercising such discretion on any one or more occasions.

## 9.2 *Liquidity Enhancement Contract*

On 21 July 2008, the Company entered into the Liquidity Enhancement Contract in order to enhance and strengthen the liquidity of the Class A Shares on Euronext Amsterdam. The Liquidity Enhancement Contract was amended and restated on 29 June 2009. Under the terms of the Liquidity Enhancement Contract the Company has granted to ABN AMRO sole discretion, in the name and for the account of the Company, to effect (subject to the Class B Shareholder authority described above and all applicable legal and regulatory requirements and within certain agreed parameters) repurchases and sales out of treasury of Class A Shares on Euronext Amsterdam.

The maximum aggregate number of Class A Shares which may currently be repurchased in accordance with the Liquidity Enhancement Contract is 6,776,250 Class A Shares, which represents 12.5 per cent. of the total number of Class A Shares in issue as at 31 May 2009.

The Liquidity Enhancement Contract shall remain in force until 25 June 2010 subject to extension at the election of the Company. However, the Liquidity Enhancement Contract may be terminated at any time by either the Company or ABN AMRO.

From the inception of the Liquidity Enhancement Contract on 21 July 2008 through to 30 September 2009 (the latest practicable date prior to the publication of this document), the Company repurchased an aggregate of 3,150,408 Class A Shares, or 5.8 per cent. of the total Class A Shares in issue.

The Company will continue to provide regular updates regarding Share repurchases in each monthly report which shall be available on the Company's website.

## 10. Fees and Expenses

### 10.1 *Payment of Management Fees, Carried Interest and Other Expenses*

Management Fees and carried interest (and any taxes owed with respect thereto by direct and indirect owners of the Special Limited Partnership) may be paid by, among other things, withholding distributions otherwise payable by the Investment Partnership to the Company, using available cash of the Company or the Investment Partnership, borrowings (including under the Credit Facility) by the Company or the Investment Partnership, making allocations or distributions in kind of any securities of the Investment Partnership to the Special Limited Partner or the Investment Manager, as the case may be, or, with respect to carried interest, deferring such carried interest and causing such carried interest to be payable in the future as a priority distribution to the Special Limited Partner. Moreover, the Memorandum and Articles and the Investment Partnership Agreement contain such provisions as are necessary to permit the foregoing to occur.

### 10.2 *Directors*

For details of the remuneration of the Directors, please refer to paragraphs 6.6 and 6.7 of this Part VI.

### 10.3 *General*

The Company will pay other fees from time to time for the service not the subject of the Investment Management and Services Agreement, including, among others, fees and expenses relating to accounting, legal, certain administrative and other matters, as well as other

out-of-pocket fees and expenses. In addition the Investment Manager may engage a third party (including, potentially, an affiliate of the Investment Manager) to provide cash management services to the Company. Such expenses will not be off-set against other expenses payable to the Investment Manager.

#### 10.4 *Expenses of the ZDP Issue*

The total costs and expenses of Admission and the ZDP Issue (excluding the Placing Commission, which shall be deducted from the Total Gross Proceeds), which shall be payable by the Company are expected to amount to approximately US\$1.25 million. The Total Net Proceeds of the ZDP Issue are expected to amount to approximately £48,500,000 (assuming the maximum number of ZDP Shares available to be issued pursuant to the ZDP Placing and Offer for Subscription are issued).

### 11. **Miscellaneous**

#### 11.1 *Auditors*

The Company has retained PricewaterhouseCoopers CI LLP to act as its independent accountants. The address of PricewaterhouseCoopers CI LLP is National Westminster House, Le Truchot, St. Peter Port, Guernsey, GY1 4ND. PricewaterhouseCoopers CI LLP is a member firm of the Institute of Chartered Accountants in England and Wales.

#### 11.2 *Employees*

11.2.1 The Company currently has no employees. Under the Investment Management and Services Agreement, the Investment Manager carries out the day-to-day management and operations of the Company.

11.2.2 In the future, the Company may hire a limited number of finance, accounting, administrative and support personnel who will be dedicated full-time to the business and operations of the Company. The Company will be required to pay the salaries, benefits and other remuneration of such personnel.

#### 11.3 *Conflicts of Interest*

NBG and its affiliates may engage in certain other transactions that involve conflicts of interest. For further information please refer to the information set out under the heading “Risks Relating to Conflicts of Interest” on pages 25 to 29 of this document.

#### 11.4 *Legal Proceedings*

There has not been any governmental, legal or arbitration proceeding (including any such proceeding which is pending or threatened of which the Company or the Investment Partnership is aware) during the twelve month period prior to the date of this document, which is expected to have, or has had in the recent past, significant effects on the financial position or profitability of the Company or the Investment Partnership.

#### 11.5 *General*

11.5.1 The Trustee is an authorised person holding a full fiduciary licence under The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, as amended. The Trustee holds 100 per cent. of the issued Class B Shares. As a result of its holding, the Trustee has the right to elect all Directors and to make other decisions usually made by shareholders. NBG has the right to designate two Directors for appointment to the Board. The Trustee is an affiliate of the Administrator.

11.5.2 There are no provisions of Guernsey law which confer rights of pre-emption upon the issue or sale of any class of shares in the Company. In addition, Shareholders do not have any right to have their Shares redeemed by the Company.

### 11.6 *Fund Service and Record-Keeping Agent*

The corporate records of the Company are maintained by Capital Analytics II LLC at the address as set out on page 35 of this document.

## 12. Working Capital

In the Company's opinion, the Company has sufficient working capital for its present requirements (that is, for at least the 12 months following the date of this document).

## 13. Capitalisation and Indebtedness

13.1 The following table shows the capitalisation and indebtedness of the Company as at 30 September 2009:

|  |                    |
|--|--------------------|
| <i>Total current debt</i>  | <i>US\$</i>        |
| Guaranteed   | —                  |
| Secured  | —                  |
| Unguaranteed/unsecured   | —                  |
|  | <hr/>              |
|  | —                  |
| <b>Total non-current debt (excluding current portion of the long term debt)</b>  |                    |
| Guaranteed   | —                  |
| Secured*   | 116,679,123        |
| Unguaranteed/unsecured   | —                  |
|  | <hr/>              |
|  | 116,679,123        |
| <b>Shareholders equity</b>   |                    |
| Class A shares, US\$0.01 par value, 500,000,000 shares authorised, 54,210,000 shares issued, and 51,059,592 shares outstanding | 542,100            |
| Class B shares, US\$0.01 par value, 100,000 shares authorised and 10,000 shares issued and outstanding                         | 100                |
| Additional paid-in capital   | 541,657,800        |
| Retained deficit   | (83,978,392)       |
| Less cost of treasury stock, 3,150,408 shares  | (9,248,460)        |
|  | <hr/>              |
| <b>Total</b>   | <b>448,973,148</b> |

\* For details of the security granted pursuant to the terms of the Credit Facility Agreement, please refer paragraph 8.3 of Part VI on pages 94 to 95 of this document.

13.2 The following table sets out the net consolidated financial funds of the Company as at 30 September 2009:

|   |                     |
|---|---------------------|
| <i>Net indebtedness</i>                   | <i>US\$</i>         |
| Cash                                      | 71,217,802          |
| Trading securities                        | —                   |
|   | <hr/>               |
| <b>Total liquidity</b>                    | <b>71,217,802</b>   |
|   | <hr/>               |
| Current bank debt                         | —                   |
| Current portion of non-current debt       | —                   |
| Other current financial debt              | —                   |
| Current financial debt                    | —                   |
| <b>Net current financial indebtedness</b> | <b>—</b>            |
|   | <hr/>               |
| Non-current bank loans                    | 116,679,123         |
| Bonds issued                              | —                   |
| Other non-current financial debt          | —                   |
| <b>Non-current financial indebtedness</b> | <b>116,679,123</b>  |
|   | <hr/>               |
| <b>Net financial indebtedness</b>         | <b>(45,461,321)</b> |

13.3 As at 30 September 2009, the Company had unfunded commitments (contingent indebtedness) of US\$158,231,229 and US\$133,320,877 available to be withdrawn under the Credit Facility. Therefore, as at 30 September 2009, the Company's net financial indebtedness after unfunded commitments and the undrawn Credit Facility was US\$70,371,673.

13.4 Save as disclosed in this document, the Company does not have any indirect indebtedness.

#### **14. Documents Available for Inspection**

Copies of the following documents are available for inspection at the offices of Herbert Smith LLP, Exchange House, Primrose Street, London, EC2A 2HS and at the registered office of the Company during normal business hours of any Business Day until Admission:

- the Memorandum and Articles;
- the audited reports and accounts for the period to 31 December 2007 and the financial year ended 31 December 2008, the interim accounts for the financial half years to 30 June 2008 and 30 June 2009, and the interim accounts for the three month period to 31 March 2009 and the nine month period to 30 September 2009;
- all material contracts of the Company, including, among others, the Investment Partnership Agreement and the Investment Management and Services Agreement; and
- this document.

Further copies of this document may be obtained, free of charge, from the registered office of the Company.

#### **15. Additional Information on the Company**

Further information about the Company including this document, annual financial reports and interim financial reports, is available from the Company's website at [www.nbprivateequitypartners.com](http://www.nbprivateequitypartners.com).

## GLOSSARY OF SELECTED TERMS

The following explanations are not intended as technical definitions, but to assist investors in understanding certain terms used in this document:

|                                   |   |
|-----------------------------------|---|
| <b>“ABN AMRO”</b>                 | means ABN AMRO Bank N.V., London branch   |
| <b>“Acceptance Account”</b>       | has the meaning given to it in the Terms and Conditions of Application on page 108 of this document   |
| <b>“Administration Agreement”</b> | means the administration agreement entered into between the Company and the Administrator, dated 3 July 2007, and as amended on 22 June 2009, pursuant to which the Administrator provides administrative and company secretarial services to the Company |
| <b>“Administrative Fee”</b>       | means the administrative fee payable to the Investment Manager in accordance with the Investment Management and Services Agreement  |
| <b>“Administrator”</b>            | means Heritage International Fund Managers Limited  |
| <b>“Admission”</b>                | means the admission of the ZDP Shares to trading on the SFM and to trading and listing on the CISX  |
| <b>“AFM”</b>                      | means the Netherlands Authority for the Financial Markets ( <i>Autoriteit Financiële Markten</i> )  |
| <b>“Application Form”</b>         | means the form of subscription for ZDP Shares under the Offer for Subscription, as set out on pages 117 to 120 of this document   |
| <b>“Articles”</b>                 | means the articles of incorporation of the Company dated 22 June 2007, as amended on 28 June 2007, 4 July 2007, 26 June 2009 and 13 November 2009   |
| <b>“Assumptions”</b>              | means the assumptions set out on pages 49 to 51 of this document  |
| <b>“Board”</b>                    | means the board of Directors for the Company  |
| <b>“Business Day”</b>             | means any day on which Euronext Amsterdam, the SFM, the CISX and banks in the Netherlands and Guernsey are open for business  |
| <b>“Capita Registrars”</b>        | means Capita Registrars Limited   |
| <b>“CISX”</b>                     | means the Channel Islands Stock Exchange  |
| <b>“Class A Shareholder”</b>      | means the holder of one or more Class A Shares  |
| <b>“Class A Shares”</b>           | means class A ordinary shares of the Company  |
| <b>“Class B Shareholder”</b>      | means the holder of one or more Class B Shares  |
| <b>“Class B Shares”</b>           | means class B ordinary shares of the Company  |
| <b>“co-investments”</b>           | has the meaning given to it under the sub-paragraph headed “Investment Process” on page 3 of this document  |
| <b>“Companies Law”</b>            | means the Companies (Guernsey) Law, 2008, as amended, and any previous enactments thereof, as may be applicable in the circumstances  |
| <b>“Company”</b>                  | means NB Private Equity Partners Limited  |

|                                     |  |
|-------------------------------------|--|
| <b>“Cover Test”</b>                 | has the meaning given to it in paragraph 5.4.7(B) of Part VI of this document  |
| <b>“Credit Facility Agreement”</b>  | means the agreement in respect of the Credit Facility between the Company, Special Limited Partner and The Governor and Company of the Bank of Scotland (and others), dated 14 August 2007, and as amended on 16 October 2008                                  |
| <b>“Credit Facility”</b>            | means the senior secured revolving credit facility of up to US\$250,000,000 established under the terms of the Credit Facility Agreement   |
| <b>“CREST”</b>                      | means the facilities and procedures for the time being of the relevant system of which Euroclear UK and Ireland Limited has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the United Kingdom |
| <b>“CREST Account”</b>              | means an account held with CREST   |
| <b>“Currency Hedging Agreement”</b> | has the meaning given to it on page 49 of this document  |
| <b>“Directors”</b>                  | means the directors of the Company   |
| <b>“EBITDA”</b>                     | means earnings before interest, taxes, depreciation and amortisation   |
| <b>“ERISA”</b>                      | means the US Employee Retirement Income Security Act of 1974, as amended   |
| <b>“Euribor”</b>                    | means the Euro Interbank Offered Rate  |
| <b>“Euroclear UK and Ireland”</b>   | means the securities settlement and clearing provider Euroclear UK and Ireland Limited, a member of the Euroclear group  |
| <b>“Euronext Amsterdam”</b>         | means Euronext Amsterdam by NYSE Euronext, the regulated market of Euronext Amsterdam N.V., part of the NYSE Euronext group  |
| <b>“Final Capital Entitlement”</b>  | means 169.73 pence per ZDP Share   |
| <b>“Final Cover”</b>                | means the ratio of the Company’s net assets as at 30 September 2009, less future annual estimated management fee and operating costs, to the sum of the assets required to pay the Final Capital Entitlement and estimated redemption costs                    |
| <b>“FSA”</b>                        | means the Financial Services Authority of the United Kingdom   |
| <b>“General Partner”</b>            | means NB Private Equity Partners Limited, in its capacity as general partner of the Investment Partnership   |
| <b>“GFSC”</b>                       | means the Guernsey Financial Services Commission   |
| <b>“Gross Assets”</b>               | means the sum of all private equity investments held in the Investment Portfolio, cash and cash equivalents and net other assets/(liabilities), including minority interests   |
| <b>“Group”</b>                      | means the Company, Investment Partnership, Special Limited Partner and their respective subsidiaries   |
| <b>“GRY”</b>                        | means gross redemption yield   |

|   |   |
|---|---|
| <b>“Guernsey”</b>                                     | means the Bailiwick of Guernsey, her territories and dependencies   |
| <b>“Independent Director”</b>                         | means a Director who is determined by the Board to be independent using the standards of independence determined by the Board from time to time   |
| <b>“Initial Cover”</b>                                | means the ratio of the net assets of the Company as at 30 September 2009, including the net proceeds of the ZDP Issue, to the assets required to pay the Final Capital Entitlement  |
| <b>“Initial Global Offering”</b>                      | means the initial global offering of the Class A Shares and RDSs on 6 July 2007   |
| <b>“Investment Committee”</b>                         | has the meaning given to it under the section headed “Investment Committee” on page 3 of this document  |
| <b>“Investment Management and Services Agreement”</b> | means the investment management and services agreement between the Company, the Investment Manager and the Investment Partnership, dated 25 July 2007, and as amended and restated on 25 January 2008, pursuant to which the Investment Manager provides investment management and advisory services to the Company |
| <b>“Investment Management Fee”</b>                    | means the investment management fee payable by the Company to the Investment Manager under the Investment Management and Services Agreement (calculated and payable as described in paragraph 8.1 in Part VI of this document)  |
| <b>“Investment Manager”</b>                           | means NB Alternatives Advisers LLC  |
| <b>“Investment Partnership”</b>                       | means NB PEP Investments LP (Incorporated), a Guernsey limited partnership of which the Company is the General Partner  |
| <b>“Investment Partnership Agreement”</b>             | means the Investment Partnership’s limited partnership agreement between the Special Limited Partner and the General Partner, dated 25 July 2007, and as amended and restated on 16 July 2008   |
| <b>“Investment Portfolio”</b>                         | means the portfolio of investments held by or on behalf of the Company from time to time  |
| <b>“ISA”</b>  | means an individual savings account   |
| <b>“Issue Price”</b>                                  | means the price of 100 pence per ZDP Share at which the ZDP Shares are to be issued or sold under the ZDP Placing and Offer for Subscription  |
| <b>“LBHI”</b>   | means Lehman Brothers Holdings Inc.   |
| <b>“LIBOR”</b>  | means the London Interbank Offered Rate   |
| <b>“Liquid Resources”</b>                             | comprises cash at bank, short term deposits with a maturity of fewer than three months, money market funds and floating rate notes  |
| <b>“Liquidity Enhancement Contract”</b>               | means the liquidity enhancement contract between the Company and ABN AMRO first entered into on 21 July 2008, and amended and restated on 29 June 2009  |

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| <b>“LSE”</b>                                   | means London Stock Exchange plc  |
| <b>“Management Fee”</b>                        | means the management fee payable to the Investment Manager in accordance with the Investment Management and Services Agreement   |
| <b>“Market Abuse Directive”</b>                | means Directive 2003/6/EC of the European Parliament and of the Council on insider dealing and market manipulation (market abuse)  |
| <b>“Maximum Target”</b>                        | means £50 million  |
| <b>“Memorandum”</b>                            | means the memorandum of incorporation of the Company dated 22 June 2007, as amended on 28 June 2007 and 4 July 2007  |
| <b>“Minimum Hurdle Rate”</b>                   | means the minimum annual rate of return on Gross Assets following issue of the ZDP Shares in order to return on the ZDP Repayment Date either (a) the Final Capital Entitlement or (b) the initial Issue Price |
| <b>“Minimum Subscription”</b>                  | means £50,000 in the case of the ZDP Placing and £5,000 in the case of the Offer for Subscription  |
| <b>“Minimum Target”</b>                        | means £20 million  |
| <b>“NAV”</b>                                   | means the net asset value of the Company   |
| <b>“Netherlands Financial Supervision Act”</b> | means the Netherlands Financial Markets Supervision Act  |
| <b>“Neuberger Berman Group” or “NBG”</b>       | means Neuberger Berman Group LLC   |
| <b>“Neuberger Transaction”</b>                 | has the meaning given to it under the subheading “Recent Events” on page 54 of this document   |
| <b>“Offer for Subscription”</b>                | means the offer of ZDP Shares for subscription on and subject to the terms and conditions set out in this document   |
| <b>“Overseas Investors”</b>                    | means persons who are resident in, or citizens of, countries other than the United Kingdom or Guernsey   |
| <b>“Placees”</b>                               | means the persons with whom ZDP Shares are placed pursuant to the ZDP Placing  |
| <b>“Placing Agent”</b>                         | means Oriel Securities Limited   |
| <b>“Placing and Offer Agreement”</b>           | the agreement for the placing of ZDP Shares between the Company, the Investment Manager, the Investment Partnership and the Placing Agent  |
| <b>“Placing Commission”</b>                    | means the placing commission payable to the Placing Agent in accordance with terms of the Placing and Offer Agreement  |
| <b>“Plan Asset Regulations”</b>                | means 29 C.F.R. 2510.3-101, as modified by Section 3(42) of ERISA  |
| <b>“Prospectus Directive”</b>                  | means Directive of the European Parliament and of the Council 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading                                    |
| <b>“Prospectus Rules”</b>                      | means the Prospectus Rules of the AFM, as amended  |
| <b>“RDS”</b>                                   | means restricted depositary share  |

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| <b>“Receiving Agent”</b>                     | means Capita Registrars   |
| <b>“Recommended Resolution”</b>              | has the meaning given to it in paragraph 5.4.10 of Part VI of this document   |
| <b>“Reconstruction Resolution”</b>           | has the meaning given to it in paragraph 5.4.11 of Part VI of this document   |
| <b>“Redemption Yield”</b>                    | means, in respect of a ZDP Share, the annually compounded rate of interest at which the total discounted values of future payments of capital equate to its actual or assumed value at the date of calculation                  |
| <b>“Registrar”</b>                           | means Capita Registrars (Guernsey) Limited  |
| <b>“Regulation S”</b>                        | means Regulation S under the US Securities Act  |
| <b>“RIS”</b>                                 | means regulated information service   |
| <b>“SFM”</b>                                 | means the Specialist Fund Market of the LSE   |
| <b>“Shareholder”</b>                         | means the holder of one or more Shares  |
| <b>“Shares”</b>                              | means Class A Shares, Class B Shares and ZDP Shares, either together or separately, as the context may require  |
| <b>“SIPP”</b>                                | means a self-invested personal pension  |
| <b>“Special Limited Partner”</b>             | means NB PEP Associates LP (Incorporated)   |
| <b>“SSAS”</b>                                | means a small self-administered scheme  |
| <b>“Sterling”</b>                            | means the lawful currency of the United Kingdom   |
| <b>“Terms and Conditions of Application”</b> | means the terms and conditions set out on pages 108 to 114 of this document in connection with the Offer for Subscription.  |
| <b>“Total Gross Proceeds”</b>                | means the aggregate value of the ZDP Shares to be issued or sold pursuant to the ZDP Placing and Offer for Subscription taken at their Issue Price  |
| <b>“Total Net Proceeds”</b>                  | means the Total Gross Proceeds less the Placing Commission and such other costs and expenses of Admission and the ZDP Issue as may be applicable  |
| <b>“Transparency Directive”</b>              | means Directive of the European Parliament and the Council 2004/109/EC on the harmonisation of transparency requirements in relation to information about others whose securities are admitted to trading on a regulated market |
| <b>“Trustee”</b>                             | means Heritage Corporate Trustees Limited   |
| <b>“United States” or “US”</b>               | means the United States of America, its territories and possessions, any state of the United States and the District of Columbia  |
| <b>“US Dollar” or “US\$”</b>                 | means the lawful currency of the United States of America   |
| <b>“US GAAP”</b>                             | means the accounting principles generally accepted in the United States   |
| <b>“US Investment Company Act”</b>           | means the United States Investment Company Act of 1940, as amended  |

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| <b>“US Person”</b>                  | has the meaning given to it under Regulation S under the US Securities Act  |
| <b>“US Plan Investor”</b>           | means (i) an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title I of ERISA, but excluding plans maintained outside the US that are described in Section 4(b)(4) of ERISA); (ii) a plan, individual retirement account or other arrangement that is described in Section 4975 of the US Tax Code whether or not such plan, account or arrangement is subject to Section 4975 of the US Tax Code; (iii) an insurance company using general account assets, if such general account assets are deemed to include assets of any of the foregoing types of plans, accounts or arrangements for the purposes of Title I of ERISA or Section 4975 of the US Tax Code; or (iv) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code |
| <b>“US Securities Act”</b>          | means the United States Securities Act of 1933, as amended  |
| <b>“US Tax Code”</b>                | means the US Internal Revenue Code of 1986, as amended  |
| <b>“Wipe-out Hurdle”</b>            | the annual rate in decrease in Gross Assets resulting in no Final Capital Entitlement being paid on the ZDP Repayment Date  |
| <b>“ZDP Cover”</b>                  | means Initial Cover or Final Cover  |
| <b>“ZDP Issue”</b>                  | means the issue of ZDP Shares pursuant to the ZDP Placing and Offer for Subscription  |
| <b>“ZDP Liquidation Resolution”</b> | has the meaning given to it in paragraph 5.4.9 of Part VI of this document  |
| <b>“ZDP Placing”</b>                | means the conditional placing by the Placing Agent on behalf of the Company of up to 50,000,000 ZDP Shares pursuant to the Placing and Offer Agreement  |
| <b>“ZDP Repayment Date”</b>         | means 31 May 2017   |
| <b>“ZDP Shareholder”</b>            | means the holder of one or more ZDP Shares  |
| <b>“ZDP Shares”</b>                 | means the zero dividend preference shares to be issued by the Company   |

## **TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION**

### **1. Introduction**

If you apply for ZDP Shares under the Offer for Subscription, you will be agreeing with the Company, the Placing Agent, the Registrar and the Receiving Agent to the terms and conditions set out below.

### **2. Offer to acquire ZDP Shares**

2.1 Your application must be made on the Application Form attached at the end of this document or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

2.1.1 offer to subscribe for such number of ZDP Shares at 100 pence per ZDP Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of £5,000, or such lesser amount as the Company may, in its absolute discretion, determine to accept in respect of applications from (i) authorised persons and (ii) persons (including Directors) having a pre-existing connection with the Company) on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application and the Memorandum and Articles;

2.1.2 agree that, in consideration of the Company and the Placing Agent agreeing that they will not, prior to the date of Admission, offer for subscription any ZDP Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;

2.1.3 undertake to pay the amount specified in Box 2 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the ZDP Shares applied for in certificated form or be entitled to commence dealing in ZDP Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such ZDP Shares unless and until you make payment in cleared funds for such ZDP Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the ZDP Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

2.1.4 agree that where on your Application Form a request is made for ZDP Shares to be deposited into a CREST Account, the Receiving Agent may in its absolute discretion amend the form so that such ZDP Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds);

- 2.1.5 agree, in respect of applications for ZDP Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1.4 to issue ZDP Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.1.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
- (A) pending clearance of your remittance;
  - (B) pending investigation of any suspected breach of the warranties contained in sub-paragraphs 6.1.1, 6.1.2, 6.1.6 or 6.1.8 below or any other suspected breach of these Terms and Conditions of Application; or
  - (C) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), The Criminal Justice (Proceeds of Crime) (Financial Services Business) (Bailiwick of Guernsey) Regulation 2007 and any other regulations applicable thereto;
- and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 2.1.6 agree, on the request of the Placing Agent or the Receiving Agent, to disclose promptly in writing to them such information as the Placing Agent or the Receiving Agent may request in connection with your application and authorise the Placing Agent and the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 2.1.7 agree that, if evidence of identity satisfactory to the Placing Agent and/or the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Placing Agent) following a request therefor, the Company or the Placing Agent may terminate the agreement with you to allot ZDP Shares and, in such case, the ZDP Shares which would otherwise have been allotted to you may be reallocated or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- 2.1.8 agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;
- 2.1.9 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 2.1.10 undertake to pay interest at the rate described in paragraph 3.3 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.1.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of ZDP Shares for which your application is accepted or if you have completed section 8 on your Application Form, but subject to paragraph 2.1.4 above, to deliver the number of ZDP Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;
- 2.1.12 confirm that you have read and complied with paragraph 8.2;
- 2.1.13 agree that all subscription cheques and payments will be processed through a bank account (the “**Acceptance Account**”) in the name of “Capita Registrars Limited re NB Private Equity Partners Limited” opened with the Receiving Agent;

- 2.1.14 agree that your Application Form is addressed to the Company and the Placing Agent;
  - 2.1.15 agree that, if a fractional entitlement to a ZDP Share arises on your application, the number of Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit; and
  - 2.1.16 acknowledge that the Directors may determine not to proceed with the issue of ZDP Shares if fewer than 20 million ZDP Shares are validly applied for pursuant to the ZDP Issue.
- 2.2 Any application may be rejected in whole or in part at the sole discretion of the Company.

### **3. Acceptance of your Offer**

- 3.1 The Placing Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying acceptance to the Receiving Agent.
- 3.2 The basis of allocation will be determined by the Company in consultation with the Placing Agent. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application.
- 3.3 The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Placing Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Placing Agent, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Placing Agent plus 2 per cent., per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.
- 3.4 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the Minimum Subscription. Applications for ZDP Shares in excess of the Minimum Subscription must be in integral multiples of £1,000.

### **4. Conditions**

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:
  - 4.1.1 Admission by 0800 hours on 1 December 2009 (or such later time or date, not being later than 8 December 2009, as the Company and the Placing Agent may agree);
  - 4.1.2 the Placing and Offer Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective; and
  - 4.1.3 the Minimum Target having been met (unless the Board and the Placing Agent agree to permit the ZDP Placing and Offer for Subscription to proceed for such lesser amount as they deem appropriate in the circumstances).

- 4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including precontractual representations) at any time after acceptance. This does not affect any other right you may have.

## **5. Return of Application Monies**

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

## **6. Warranties**

- 6.1 By completing an Application Form, you:

- 6.1.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 6.1.2 warrant, if the laws of any territory or jurisdiction outside Guernsey or the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Placing Agent or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside Guernsey or the United Kingdom in connection with the Offer for Subscription in respect of your application;
- 6.1.3 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in this document (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such other information or representation;
- 6.1.4 agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations contained therein;
- 6.1.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Placing Agent or the Receiving Agent;
- 6.1.6 warrant that you are not under the age of 18 on the date of your application;
- 6.1.7 agree that all documents and monies sent by post to, by or on behalf of the Company, the Placing Agent or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form; and
- 6.1.8 confirm that you have reviewed the restrictions contained in paragraph 8 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein.

## **7. Money Laundering**

- 7.1 You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007 (where applicable) and The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 as amended, the Receiving Agent or the Administrator may respectively at their absolute discretion require verification of identity from any person lodging an Application Form.
- 7.2 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.
- 7.3 Payments must be made by cheque or banker's draft in Sterling drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re NB Private Equity Partners Limited" and crossed "A/C payee". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft by following the instructions in paragraph 7.7 below.
- 7.4 The bank account name should be the same as that shown on the Application Form.
- 7.5 Where you appear to the Receiving Agent to be acting on behalf of some other person certifications of identity of any persons on whose behalf you appear to be acting may be required.
- 7.6 Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.
- 7.7 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp. The name on the bank account must be the same as that stated on the Application Form.
- 7.8 You should endeavour to have the declaration contained in Box 9 of the Application Form signed by an appropriate firm as described in that Box.

## **8. Overseas Investors**

The attention of existing and potential investors who are not resident in, or who are not citizens of, the United Kingdom and Guernsey is drawn to paragraphs 8.1 to 8.5 below:

### ***General***

- 8.1 The offer of ZDP Shares under the Offer for Subscription to persons who are resident in, or citizens of, countries other than the United Kingdom and Guernsey ("**Overseas Investors**") may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for ZDP Shares under the Offer for Subscription. It is the responsibility of all Overseas Investors receiving this document and/or wishing to subscribe to the ZDP Shares under the Offer for Subscription, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.
- 8.2 No person receiving a copy of this document in any territory other than the United Kingdom or Guernsey may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.

- 8.3 Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send it to any US Person or in or into the United States, Canada, Australia or Japan, their respective territories or possessions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.
- 8.4 The Company reserves the right to treat as invalid any agreement to subscribe for ZDP Shares pursuant to the Offer for Subscription if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

#### ***United States***

- 8.5 The Company has not been and will not be registered under the US Investment Company Act. In addition, the ZDP Shares have not been and will not be registered under the US Securities Act. The ZDP Shares are being offered outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S under the US Securities Act. The ZDP Shares may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, US Persons. Holders of the ZDP Shares will be required or deemed, as applicable, to give the representations and warranties set out under the heading “Transfer of the ZDP Shares” on pages 59 to 60 of this document.

### **9. The Data Protection (Bailiwick of Guernsey) Law 2001**

- 9.1 Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the “**DP Law**”) the Company, the Placing Agent and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- 9.2 Such personal data held is used by the Registrar to maintain a register of the Company’s Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.
- 9.3 The countries referred to above include, but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.
- 9.4 By becoming registered as a holder of ZDP Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar or the Placing Agent of any personal data relating to them in the manner described above.

### **10. Miscellaneous**

- 10.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the ZDP Shares and the Offer for Subscription.
- 10.2 The rights and remedies of the Company and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 10.3 The Company reserves the right to shorten the closing time of the Offer for Subscription from 1500 hours on 24 November 2009 by giving notice to the LSE and the CISX. In this event, the revised closing time will be published in such manner as the Placing Agent, in consultation with the Company, may determine subject, and having regard, to the requirements of the LSE and the CISX.

- 10.4 The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.
- 10.5 You agree that the Placing Agent and the Receiving Agent are acting for the Company in connection with the ZDP Shares and for no-one else, and that the Placing Agent and the Receiving Agent will not treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of ZDP Shares or concerning the suitability of ZDP Shares for you or otherwise in relation to the ZDP Issue or for providing the protections afforded to their customers.
- 10.6 You authorise the Receiving Agent or any person authorised by them or the Company, as your agent, to do all things necessary to effect registration of any ZDP Shares subscribed by you into your name(s) and authorise any representative of the Receiving Agent to execute and/or complete any document required in this regard.
- 10.7 You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
- 10.8 The dates and times referred to in these Terms and Conditions of Application may be altered by the Company so as to be consistent with the Placing and Offer Agreement (as the same may be altered from time to time in accordance with its terms).
- 10.9 Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as use elsewhere in this document.

## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received no later than 1500 hours on 24 November 2009.

**HELP DESK:** If you have a query concerning completion of the Application Form please call Capita Registrars on 0871 664 0321 or from outside the UK on +44 20 8639 3399. Calls to the 0871 664 0321 number cost 10 pence per minute plus any other network providers' costs. Lines are open from 0900 hours to 1700 hours (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

### 1. Application

Fill in (in figures) in Box 1 the amount of money being subscribed for ZDP Shares. The amount being subscribed must be for a minimum of £5,000 and thereafter in integral multiples of £1,000. However, the Company may, in its absolute discretion, determine to accept applications in lesser amounts from (i) authorised persons or (ii) persons (including Directors) having a pre-existing connection with the Company. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required or to benefit most favourably from any commission arrangements.

### 2. Amount Payable

Fill in (in figures) in Box 2 the value of ZDP Shares (at the relevant Issue Price) for which you wish to apply. This should be for the value of ZDP Shares subscribed for in Box 1 (the “**Application Amount**”) (minimum being £5,000).

### 3. Personal Details

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at sections 3 and 5 (where applicable).

### 4. Signature

All holders named in sections 3 and 5 (where applicable) must sign sections 4 and 5 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

### 5. Cheque/Banker's Draft Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in Box 2 of your Application Form. Your cheque or banker's draft must be made payable to “Capita Registrars Limited re NB Private Equity Limited” and crossed “A/C Payee”. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in Sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts

where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers draft. The funds must be drawn from an account where you have sole or joint title to them.

## **6. Identity Information**

Applicants need only consider section 7 of the Application Form if the declaration in section 9 cannot be completed. Notwithstanding that the declaration in section 9 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in section 7 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in section 7, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

## **7. CREST**

If you wish your ZDP Shares to be deposited in a CREST Account in the name of the holder(s) given in sections 3 and 5 (where applicable), enter in section 8 the details of that CREST Account. Where it is requested that ZDP Shares be deposited into a CREST Account please note that payment for such ZDP Shares must be made prior to the day such ZDP Shares might be allotted and issued. It is not possible for an applicant to request that ZDP Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

## **8. Reliable Introducer Declaration**

Applications will be subject to Guernsey's verification of identity requirements. This will involve you providing the verification of identity documents listed in section 7 of the Application Form UNLESS you can have the declaration provided at section 9 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 9 of the Application Form completed and signed by a suitable firm.

## **9. Contact Details**

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 4 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

## **INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS**

**Completed Application Forms should be returned, by post or by hand (during normal business hours), to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received no later than 1500 hours on 24 November 2009, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.**

## APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION

If you wish to apply for ZDP Shares, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 1500 hours on 24 November 2009.

**IMPORTANT: Before completing this Application Form, you should read the notes set out under the section entitled “Notes on how to complete the Application Form” of the Prospectus. All applicants must complete Boxes 1 to 4. Joint applicants should also complete Box 5.**

If you have a query concerning completion of this Application Form, please call Capita Registrars between 0900 hours and 1700 hours on any weekday on 0871 664 0321 (or, if calling from outside the United Kingdom, +44 20 8639 3399). Calls to the 0871 664 0321 number cost 10p per minute plus your service provider’s network extras. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. The Receiving Agent cannot provide advice on the merits of the Offer for Subscription nor give any financial, legal or tax advice.

To: The Directors,  
NB Private Equity Partners Limited

### 1. Application

I/We offer to subscribe for such number of ZDP Shares at the value set out below divided by the relevant Issue Price (minimum being £5,000 and in multiples of £1,000 thereafter, or such lesser amount as the Directors may in any particular case determine), fully paid subject to the terms and conditions set out in the Prospectus dated 16 November 2009 and subject to the Memorandum and Articles.

|                 |   |
|-----------------|---|
| Value of Shares | £ |
|-----------------|---|

### 2. Amount Payable

I/We enclose an amount equal to the value of ZDP Shares applied for as set out in Box 1 (the “Application Amount”):

|              |   |
|--------------|---|
| Total Amount | £ |
|--------------|---|

### 3. Personal Details (Please use Block Capitals)

|                      |                     |
|----------------------|---------------------|
| Mr, Mrs, Ms or Title | Forenames (in full) |
| Surname              |                     |
| Address (in full)    |                     |
|                      |                     |
| Postcode             |                     |

### 4. Signature

|       |           |
|-------|-----------|
| Dated | Signature |
|-------|-----------|



**5. Joint Applicants (Please use Block Capitals)**

|                         |  |
|-------------------------|--|
| 1. Mr, Mrs, Ms or Title |  |
| Forenames (in full)     |  |
| Surname                 |  |
| Signature               |  |
| 2. Mr, Mrs, Ms or Title |  |
| Forenames (in full)     |  |
| Surname                 |  |
| Signature               |  |
| 3. Mr, Mrs, Ms or Title |  |
| Forenames (in full)     |  |
| Surname                 |  |
| Signature               |  |

**6. Cheque/Banker's Draft Details**

By Cheque or Banker's Draft: Attach your cheque or banker's draft for the exact amount shown in Box 2 made payable to "Capita Registrars Limited re NB Private Equity Partners Limited" and crossed "A/C Payee".

**7. Identity Information**

In accordance with internationally recognised standards for the prevention of money of money laundering the undermentioned documents and information must be provided.

**A. For each holder being an individual enclose:**

- (1) a certified clear photocopy of one of the following identification documents which bear both a photographs and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- (2) certified copies of at least two of the following documents which purport to confirm that the address given in section 3 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which Capita Registrars may request a reference, if necessary.

**B. For each holder being a company (a "holder company") enclose:**

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which Capita Registrars may request a reference, if necessary; and



- (3) a statement as to the nature of the holder company’s business, signed by a director; and □ □ □ □ □
- (4) a list of the names and residential addresses of each director of the holder company; and □ □ □ □ □
- (5) for each director provide documents and information similar to that mentioned in A above; and □ □ □ □ □
- (6) a copy of the authorised signatory list for the holder company; and □ □ □ □ □
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent., of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a “**beneficiary company**”), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company. □ □ □ □ □

**C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(l) to (4)**

**D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:**

A certified copy of the certificate of incorporation of that beneficiary company; and □ □ □ □ □

A statement as to the nature of that beneficiary company’s business signed by a director; and □ □ □ □ □

The name and address of that beneficiary company’s principal bankers from which Capita Registrars may request a reference, if necessary; and □ □ □ □ □

Enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent., of the issued share capital of that beneficiary company. □ □ □ □ □

**E. If the payor is not a holder and is not a bank providing its own cheque or banker’s payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:**

If the payor is a person, for that person the documents mentioned in A(l) to (4);or

If the payor is a company, for that company the documents mentioned in B(l) to (7); and

An explanation of the relationship between the payor and the holder(s).

Capita Registrars reserves the right to ask for additional documents and information.







# CISX LISTING ADDENDUM

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## **NB PRIVATE EQUITY PARTNERS LIMITED**

*(a closed-end limited liability investment company incorporated under the laws of Guernsey with registered number 47214 and registered with the Netherlands Authority for the Financial Markets)*

### **Placing and Offer for Subscription of up to 50 million Zero Dividend Preference Shares of no par value at an Issue Price of 100 pence Sterling per share**

*Investment Manager*

#### **NB Alternatives Advisers LLC**

*Financial Adviser, Placing Agent and Broker*

#### **Oriel Securities Limited**

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### **APPLICATION FOR ADMISSION TO TRADING ON THE DAILY OFFICIAL LIST OF THE CISX**

In relation to the application by the Company to the CISX for the ZDP Shares to be admitted to trading on the Daily Official List of the CISX (the “**Official List**”), the following information should be noted:

1. Application has been made to the CISX for up to 50,000,000 ZDP Shares to be admitted to trading and listing on the Official List under the symbol NBZ. It is expected that trading in the ZDP Shares on the Official List will commence on or about 1 December 2009.
2. Any suspension of trading of the ZDP Shares to trading on the SFM will be notified by the Company to the CISX as soon as possible.
3. The ZDP Shares are capable of trading on an equal basis.
4. The Company will forward all announcements of its NAV to the CISX as soon as possible after calculation.
5. Neither the admission of the ZDP Shares to the Official List nor the approval of the prospectus dated 16 November 2009 (the “**Prospectus**”) or this CISX Listing Addendum issued by the Company pursuant to the listing requirements of the CISX shall constitute a warranty or representation by the CISX as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in the Prospectus or this CISX Listing Addendum or the suitability of the Company for investment or for any other purpose.

For the purposes of the application by the Company to the Official List, the Prospectus should be read in conjunction with this CISX Listing Addendum and the Prospectus and the CISX Listing Addendum together shall constitute the listing document for the purposes of such application.

Definitions contained in this CISX Listing Addendum shall have the same meaning as set out in the Prospectus.