



# SOF III – ILPA 2 scorecard<sup>1</sup>

## SOF III Key ILPA 2 Principles

### Alignment of interest

- ✓
  - Best practice all-contribution-plus-preferred-return-back-first model
- ✓
  - Limited Partner ("LP") favorable clawback provision
- ✓
  - 100% transaction & monitoring fees offset General Partner share
- ✓
  - Sponsor equity interest in the Fund (subject to DB compliance with the US Asset Management Exemption (Volcker Rule), DB intends to commit the lower of 2.9% or US\$29m to the Fund at same terms and conditions as LPs)

### Governance

- ✓
  - Key man and "for cause" provisions protective to LPs' interests
    - Supermajority vote of LPs required to reverse automatic suspension of investment period
- ✓
  - No Fault Divorce with simple majority vote of LPs
- ✓
  - Clearly and narrowly outlined investment strategy with appropriate limitations on investment concentration
- ✓
  - Advisory Board best practice set-up

### Transparency

- ✓
  - Comprehensive financial reporting
- ✓
  - GAAP and FAS 157 (Topic 820) compliant valuation policy
- ✓
  - General Partner share and carried interest disclosure
- ✓
  - Detailed due diligence provided

(1) ILPA = Institutional Limited Partner Association. The full guidelines can be found at <http://ilpa.org/principles-version-2-0/>.