



# **General Atlantic Service Company, LLC**

## **Part 2A of Form ADV**

### **The Brochure**

Park Avenue Plaza  
55 East 52<sup>nd</sup> Street, 32<sup>nd</sup> Floor  
New York, NY 10055  
[www.generalatlantic.com](http://www.generalatlantic.com)

March 28, 2014

This brochure provides information about the qualifications and business practices of General Atlantic Service Company, LLC. If you have any questions about the contents of this brochure, please contact us at 212-715-4000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about General Atlantic Service Company, LLC is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2. Material Changes

GASC does not have any material changes to identify and discuss in this brochure.

## Item 3. Table of Contents

Item 2. Material Changes .....	2
Item 3. Table of Contents.....	2
Item 4. Advisory Business .....	2
Item 5. Fees and Compensation .....	5
Item 6. Performance-Based Fees and Side-by-Side Management.....	13
Item 7. Types of Clients.....	24
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	25
Item 9. Disciplinary Information .....	35
Item 10. Other Financial Industry Activities and Affiliations .....	35
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .	36
Item 12. Brokerage Practices .....	38
Item 13. Review of Accounts.....	39
Item 14. Client Referrals and Other Compensation.....	40
Item 15. Custody .....	41
Item 16. Investment Discretion.....	41
Item 17. Voting Client Securities.....	42
Item 18. Financial Information .....	42

## Item 4. Advisory Business

### Background

General Atlantic Service Company, LLC, a Delaware limited liability company (“**GASC**”), and General Atlantic LLC, a Delaware limited liability company (“**GA LLC**”) and an affiliate under common control with GASC, have (together with their predecessors-in-interest) an over 30 year history of private equity investing. GASC was formed in 2005 and has approximately \$17 billion of assets under management as of December 31, 2013. All of such assets are managed by GASC, together with GA LLC and the GA General Partners (as defined below), on a discretionary basis.

GASC focuses on later stage growth investments (generally private, but sometimes public) in five industry sectors (Business Services, Consumer, Financial Services, Healthcare and Internet & Technology) and six geographic regions (North America, Europe, Latin America, India, China

and Southeast Asia). These industry and geographic sectors may evolve over time to reflect increasing globalization and other emerging trends.

GASC seeks to apply the following criteria to identify attractive investment opportunities:

- Strong market position and favorable industry structure
- High quality, experienced management team with aligned incentives
- Deep, addressable and rapidly growing market
- Proven and sustainable economic model
- Sustainable competitive advantage, with significant intellectual property and high barriers to entry
- Identifiable levers for value creation and multi-path exit strategy

GASC and its subsidiaries have approximately 100 investment professionals across 10 offices (New York, Greenwich, Palo Alto, São Paulo, London, Munich, Amsterdam, Mumbai, Hong Kong, Beijing and Singapore). GASC is owned by its members. The Managing Directors of GASC as of March 28, 2014 are William E. Ford, Steven A. Denning, John D. Bernstein, J. Frank Brown, Gabriel Caillaux, Mark F. Dzialga, Cory A. Eaves, Martin Escobari, Patricia L. Hedley, David C. Hodgson, René M. Kern, Jonathan Korngold, Christopher G. Lanning, Xuesong (Jeff) Leng, Anton J. Levy, Adrianna C. Ma, Thomas J. Murphy, Sandeep Naik, Andrew C. Pearson, Brett B. Rochkind, David A. Rosenstein, Philip P. Trahanas and N. Robbert Vorhoff. GASC is led by its Chief Executive Officer William E. Ford and Chairman Steven A. Denning, with an Executive Committee comprised of William E. Ford, John D. Bernstein, J. Frank Brown, Steven A. Denning, Mark F. Dzialga, Martin Escobari, David C. Hodgson, Rene M. Kern, Jonathan Korngold, Xuesong (Jeff) Leng, Anton J. Levy and Sandeep Naik. No person owns 25% or more of GASC.

#### *Managed Accounts (Commitment Agreements)*

GASC and GA LLC currently raise third party capital for the General Atlantic investment program by entering into individual commitment agreements (each, a “**Commitment Agreement**”) with investors (each, a “**Limited Partner**”) for the purpose of making investments in portfolio companies (“**Portfolio Companies**”). Pursuant to its Commitment Agreement, each Limited Partner (i) commits to make capital contributions to private investment vehicles (the “**GA Investment Funds**”), of which the Limited Partners are limited partners or members and GA LLC or one of its affiliates serves as general partner, manager or managing member (or analogous control person) (a “**GA General Partner**”) and (ii) agrees to pay Service Fees (as defined below) to GASC for its investment advisory and management services. The GA Investment Funds make investments in Portfolio Companies, directly and indirectly through affiliated entities.

GASC provides investment advisory and management services to the Limited Partners. A Limited Partner may invest in the GA Investment Funds as an Individual Managed Account or as a Pooled Managed Account (collectively, the “**Managed Accounts**”) in the following manner:

- *Individual Managed Accounts.*

Five Year Commitments. A Limited Partner may commit capital to GA LLC for investments in Portfolio Companies and other uses pursuant to a Commitment Agreement with a five-year commitment period (a “**Five-Year Commitment**”).

Evergreen Commitments. A Limited Partner that commits \$100 million or more to GA LLC for investments in Portfolio Companies and other uses may enter into a Commitment Agreement that does not have a fixed capital commitment or a fixed commitment period (an “**Evergreen Commitment**”). Under an Evergreen Commitment, a Limited Partner has a series of notional commitment periods that continuously renew, subject to the right of such Limited Partner to elect under certain circumstances to convert to a commitment with a fixed capital commitment and fixed commitment period.

- *Pooled Managed Accounts.* An investor may invest in the GA Investment Funds by committing capital for a five-year commitment period to a pooled investment vehicle (a “**Pooled Managed Account**”), of which such investor is a limited partner and a GA General Partner is the general partner. In turn, the Pooled Managed Account enters into a Commitment Agreement with GA LLC and GASC pursuant to which such Pooled Managed Account makes a Five-Year Commitment. The Pooled Managed Account is a Limited Partner. In 2008, GA LLC established the first Pooled Managed Account, General Atlantic Investment Partners I, L.P., a Delaware limited partnership (“**GAIP I**”). GAIP I was fully funded as of May 24, 2013. GA LLC held the final closing of its second Pooled Managed Account, General Atlantic Investment Partners 2013, L.P., a Delaware limited partnership (“**GAIP 2013**”), in September 2013. In addition to participating in the Pooled Managed Account, an investor in GAIP I or GAIP 2013 (a “**Pooled Account Investor**”) may also be a Limited Partner with a separate Five-Year Commitment pursuant to a Commitment Agreement.

#### *Sponsor Coinvestment Funds*

GASC also provides investment advisory and management services to pooled coinvestment funds (the “**Sponsor Coinvestment Funds**”) in which members and employees (and former members and former employees) of GASC or its subsidiaries and persons who maintain or previously maintained a professional or business relationship (including members and former members of GA LLC’s Executive Advisory Board and individuals that serve as Special Advisors to GASC or its subsidiaries) with GA LLC, GASC or GASC subsidiaries invest their own capital (the “**Sponsor Coinvestors**”). GA LLC or another GA General Partner serves as general partner, manager or managing member (or analogous control person) of the Sponsor Coinvestment Funds. The Sponsor Coinvestment Funds invest side-by-side in Portfolio Companies with, and on the same terms and conditions as, the investments made by the GA Investment Funds in Portfolio Companies, except that the Sponsor Coinvestment Funds do not make any performance-based allocation to the GA General Partners. The Sponsor Coinvestment Funds make the same investment, disposition, voting and other decisions with respect to Portfolio Companies as the GA Investment Funds. The Sponsor Coinvestors do not pay Service Fees to GASC or Broken-Deal Expenses (as defined below).

For a more detailed description of the Sponsor Coinvestment Funds, please see “Item 6. Performance-Based Fees and Side-by-Side Management – Coinvestment Program for Employees and Strategic Partners of GASC” below.

## **Item 5. Fees and Compensation**

As more fully described below, compensation received by GASC generally consists of management (or service) fees based on a percentage of each Limited Partner’s commitment amount and the value of each Limited Partner’s investment in the GA Investment Funds. The compensation received by the GA General Partners generally consists of a performance-based allocation. The specific payment terms and other conditions of the management fees and performance-based allocation charged to the Limited Partners are set forth in the Commitment Agreements and other governing agreements of the Managed Accounts.

GASC and the GA General Partners do not charge management (or service) fees or performance-based allocations to Sponsor Coinvestors in the Sponsor Coinvestment Funds.

### **Service or Management Fees**

The rate of the management (or service) fee (the “**Service Fees**”) that GASC charges to an investor who invests through a Managed Account depends on the size of an investor’s commitment and whether an investor participates as a Limited Partner with a Five-Year Commitment, as a Limited Partner with an Evergreen Commitment or as a Pooled Account Investor. The Service Fees are not negotiable but are subject to reduction as described below under “Fee Reduction upon Renewal” and “Fee Credit Program”.

#### *Five-Year Commitments*

Generally, for each Limited Partner with a Five-Year Commitment, GASC charges an annual fixed Service Fee that is an amount equal to the Service Fee rate applicable to such Limited Partner’s commitment amount multiplied by such Limited Partner’s commitment amount through and until the earlier of (i) the quarter in which such Limited Partner’s commitment has been fully invested in the GA Investment Funds or used pursuant to its Commitment Agreement and (ii) the fifth anniversary of the effective date of the Commitment Agreement. Thereafter, the Service Fee is an amount equal to the annual Service Fee rate applicable to such Limited Partner’s commitment multiplied by the lower of (i) such Limited Partner’s commitment amount and (ii) the fair market value of such Limited Partner’s interests in the GA Investment Funds. The applicable Service Fee rate for a Limited Partner is determined by such Limited Partner’s total commitment amount under its Commitment Agreement. As of March 28, 2014, for Five-Year Commitments, the Service Fee rate for commitment amounts under \$100 million is 1.85%, and this rate decreases as the commitment amount increases. For purposes of determining the Service Fee rate applicable to a Limited Partner with a Five-Year Commitment, GASC may aggregate the commitment amount of such Limited Partner with the commitment amount(s) of another Limited Partner(s) and/or a Pooled Account Investor(s) to the extent that GASC determines that such Limited Partners and/or Pooled Account Investors are related parties.

### *Evergreen Commitments*

The Service Fee applicable to Limited Partners with an Evergreen Commitment is generally comprised of two components: (i) an annual ongoing fixed Service Fee that is an amount equal to the Service Fee rate applicable to such Limited Partner's Evergreen Commitment amount multiplied by such Limited Partner's Evergreen Commitment amount and (ii) a trailing Service Fee that is an amount equal to 1.0% of the lesser of (x) the amount of such Limited Partner's Evergreen Commitment and prior commitments in the 20 immediately preceding quarters, (y) the capital provided for investments made in the 20 immediately preceding quarters and (z) the fair market value of such Limited Partner's existing interest in Portfolio Companies that were made in the 20 immediately preceding quarters. The trailing Service Fee does not apply until the earlier of (a) the quarter in which the Limited Partner's initial notional commitment has been fully invested in the GA Investment Funds or used pursuant to its Commitment Agreement and (b) the fifth anniversary of the effective date of the Commitment Agreement. As of March 28, 2014, the Service Fee rate for an Evergreen Commitment of \$100 million is 1.50%, and this rate decreases as the Evergreen Commitment amount increases. If a Limited Partner with an Evergreen Commitment elects to convert its Evergreen Commitment into a commitment with a fixed capital commitment and fixed commitment period, the Service Fee payable by such Limited Partner may be based on the Service Fee rate applicable to a Five-Year Commitment. For purposes of determining the Service Fee rate applicable to a Limited Partner with an Evergreen Commitment, GASC may aggregate the commitment amount of such Limited Partner with the commitment amount(s) of another Limited Partner(s) and/or a Pooled Account Investor(s) to the extent that GASC determines that such Limited Partners and/or Pooled Account Investors are related parties.

### *Pooled Managed Accounts*

The Service Fee applicable to a Pooled Account Investor is determined in the same manner as the Service Fee applicable to a Limited Partner with a Five-Year Commitment. Each Pooled Account Investor's Service Fee rate is based on its capital commitment to the Pooled Managed Account. Accordingly, the Service Fee rate applicable to a Pooled Managed Account (*i.e.*, the pooled investment vehicle through which a Pooled Account Investor invests) is determined on a "look through" basis and is not determined by aggregating the capital commitments of all of the Pooled Account Investors in such Pooled Managed Account. For purposes of determining the Service Fee rate applicable to a Pooled Account Investor, the commitment amount of such Pooled Account Investor may be aggregated with commitment amount(s) of a Limited Partner and/or another Pooled Account Investor(s) to the extent that GASC determines that such Pooled Account Investor and such Limited Partner and/or the Pooled Account Investor are related parties.

### *Fair Market Value Determination*

As noted above, after an initial period, the Service Fee calculation may take into account the fair market value of a Limited Partner's or a Pooled Account Investor's (as applicable) interests in the GA Investment Funds.

GASC has adopted a valuation policy that governs the pricing of the Portfolio Company securities held by the GA Investment Funds. Pursuant to this policy, GASC conducts a formal valuation of its investment portfolio semi-annually. However, for any quarter in which a formal valuation is not conducted, GASC provides a reasonable estimate of the value of the Portfolio Company securities held by the GA Investment Funds to calculate the Service Fee charged on the fair market value of a Limited Partner's interest in the GA Investment Funds. In the event the Service Fee for any particular quarter is based on an estimate of the fair market value of a Limited Partner's interest in the GA Investment Funds, the Service Fee will thereafter be adjusted as appropriate based on the next semi-annual formal valuation.

### **Fee Reduction Upon Renewal**

Upon the renewal by a Limited Partner with a Five-Year Commitment for a second Five-Year Commitment, (i) if the second Five-Year Commitment is equal to or greater than the first Five-Year Commitment, then the Service Fee rate on the first Five-Year Commitment steps down to a rate of 1.25% and (ii) if the second Five-Year Commitment is less than the amount of the first Five-Year Commitment, then the Service Fee rate on the portion of the first Five-Year Commitment equal to the second Five-Year Commitment steps down to a rate of 1.25% and the Service Fee rate on the balance of the first Five-Year Commitment (*i.e.*, the portion that is not renewed) steps down to a rate of 1.50%.

Upon the renewal by a Limited Partner with a second Five-Year Commitment for a third Five-Year Commitment, (i) 100% of the first Five-Year Commitment steps down to a Service Fee rate of 0.75% and (ii) (x) if the third Five-Year Commitment is equal to or greater than the second Five-Year Commitment, then the Service Fee rate on the second Five-Year Commitment steps down to a rate of 1.25% and (y) if the third Five-Year Commitment is less than the amount of the second Five-Year Commitment, then the Service Fee rate on the portion of the second Five-Year Commitment equal to the third Five-Year Commitment steps down to a rate of 1.25% and the fee on the balance of the second Five-Year Commitment (*i.e.*, the portion that is not renewed) steps down to a rate of 1.50%.

A Pooled Account Investor is also entitled to the same step downs in the Service Fee rates if it renews its commitment on the terms described above. A Pooled Account Investor may renew its commitment by making a commitment to a successor Pooled Managed Account or by making a Five-Year Commitment or an Evergreen Commitment pursuant to a Commitment Agreement.

In addition, for purposes of determining whether or not a Limited Partner with a Five-Year Commitment has renewed its commitment and for purposes of determining the aggregate amount of the renewed commitment, GASC may treat the amount of the renewed commitment that is committed by a related party of such Limited Partner as having been committed by such Limited Partner and aggregate the commitments of such Limited Partner and its related parties. Pooled Account Investors are also treated in the same manner.

### **Fee Credit Program**

Limited Partners with Five-Year Commitments, Limited Partners with Evergreen Commitments and Pooled Account Investors are eligible for a fee credit as follows:

### *Five-Year Commitments and Pooled Account Investors*

A Limited Partner with a Five-Year Commitment is eligible for the Service Fee credits described below, subject to a maximum Service Fee credit in the amount of two calendar quarters of Service Fees for each Five-Year Commitment. The Service Fee credit is applied by reducing the subsequent quarterly installments of the Service Fee payable by a Limited Partner until such Limited Partner receives the full benefit of the Service Fee credit.

- Early Renewal. With respect to any Limited Partner with a Five-Year Commitment of at least \$50 million, if, not later than the earlier of (a) 85% of such Limited Partner's commitment having been invested in or reserved for investments in Portfolio Companies and (b) six months prior to the expiration of such Limited Partner's commitment period, such Limited Partner renews such commitment for another Five-Year Commitment in which the amount of the renewal commitment is equal to or greater than the amount of the commitment being renewed, such Limited Partner will receive a one calendar quarter Service Fee credit equal to the quarterly Service Fee that is applicable to the renewal commitment amount based on the GASC fee schedule then in effect for Five-Year Commitments.
- Renewals. If (a) a Limited Partner with a Five-Year Commitment of less than \$100 million renews such commitment for another Five-Year Commitment in which the amount of the renewal commitment is equal to or greater than \$100 million or (b) a Limited Partner with a Five-Year Commitment of \$100 million or more renews such commitment for another Five-Year Commitment in which the amount of such renewal commitment is at least \$50 million more than the amount of the commitment being renewed, such Limited Partner will receive a one calendar quarter Service Fee credit equal to the quarterly Service Fee that is applicable to the renewal commitment amount based on the GASC fee schedule then in effect for Five-Year Commitments.
- Increases. If, during the commitment period of a Five-Year Commitment, (a) any Limited Partner with a Five-Year Commitment of less than \$100 million increases its commitment to \$100 million or more or (b) any Limited Partner with a Five-Year Commitment of at least \$100 million increases its commitment by \$50 million or more, then such Limited Partner will receive a one calendar quarter Service Fee credit equal to the quarterly Service Fee (after giving effect to such increase) that is applicable to the commitment amount (after giving effect to such increase) based on the GASC fee schedule then in effect for Five-Year Commitments.

A Pooled Account Investor is also eligible for the foregoing Service Fee credits on the same terms described above by (i) making an early renewal or a renewal to either a successor Pooled Managed Account or by making a Five-Year Commitment or an Evergreen Commitment pursuant to a Commitment Agreement and/or (ii) increasing its commitment during the commitment period of the Pooled Managed Account by making a commitment pursuant to a Commitment Agreement as a Limited Partner with a Managed Account.



For purposes of determining whether or not a Limited Partner with a Five-Year Commitment is entitled to a Service Fee credit, GASC may treat the amount of the renewed commitment that is committed by a related party of such Limited Partner as having been committed by such Limited Partner and aggregate the commitments of such Limited Partner and its related parties. Pooled Account Investors are also treated in the same manner.

### *Evergreen Commitments*

A Limited Partner with an Evergreen Commitment that increases its commitment by \$50 million or more will receive a Service Fee credit equal to the quarterly ongoing Service Fee that is applicable to the amount of such Limited Partner's Evergreen Commitment (after giving effect to such increase) based on the GASC fee schedule then in effect for Evergreen Commitments. The Service Fee credit is applied by reducing the subsequent quarterly installments of the Service Fee payable by a Limited Partner until such Limited Partner receives the full benefit of the Service Fee credit.

### **Timing and Duration of Service Fees**

Generally, Service Fees are incurred and payable by investors quarterly in advance. The Service Fees are pro-rated for partial periods, other than as described below in connection with a Service Fee Termination (as defined below). GASC may elect to defer the collection of Service Fees until one or more subsequent quarters, but any such deferred Services Fees will be collected no later than the first quarter after the end of the fiscal year in which such deferral was made. In addition, pursuant to the Commitment Agreements, GASC may also annually waive all or a portion of the Service Fees and such waived amount is invested in Portfolio Companies by the Limited Partners for the benefit of GA MPI, L.P., a Delaware limited partnership ("**GA MPI**"), that is an affiliate of GASC and GA LLC, as discussed in "Item 11. Code of Ethics, Participation or Interest in Client Transaction – Participation or Interest in Client Transaction" below.

Service Fees are paid by each Limited Partner with a Five-Year Commitment until the earlier of (a) the date on which both (i) such Limited Partner's commitment is fully committed and (ii) all investments in which the Limited Partner has an interest have been (1) liquidated, (2) written down to fair market value of zero or (3) distributed in kind to such Limited Partner and (b) the 13<sup>th</sup> anniversary of the date of the Commitment Agreement (the "**Service Fee Termination**"). If Service Fees are paid to GASC by a Limited Partner and a Service Fee Termination occurs before the next scheduled payment, the Service Fees already paid to GASC are not refunded. Service Fees are paid by each Pooled Account Investor for the same duration as Service Fees are paid by Limited Partners with Five-Year Commitments.

There is no date upon which Service Fees are no longer payable by a Limited Partner with an Evergreen Commitment so long as the Limited Partner continues with an Evergreen Commitment. If a Limited Partner with an Evergreen Commitment converts its Evergreen Commitment into a commitment with a fixed capital commitment and fixed commitment period, then the obligation of such Limited Partner to pay Service Fees will terminate upon the Service Fee Termination (as described above), provided that for purposes of the Service Fee Termination for an Evergreen Commitment the 13<sup>th</sup> anniversary date is measured from the beginning of such Limited Partner's most recent notional commitment period.

At the discretion of a GA General Partner, the Service Fees payable to GASC by a Limited Partner or a Pooled Account Investor may be paid out of such investor's share of any net realized gains from a GA Investment Fund that would otherwise be distributable to such investor.

## **Expenses – Managed Accounts**

### *GASC Operating Expenses*

In addition to the Service Fees payable to GASC and the performance-based allocations which may be received by the GA General Partners, investors investing through Managed Accounts are generally responsible for the ongoing expenses of the GA Investment Funds. However, pursuant to each Commitment Agreement, GASC assumes certain recurring operating expenses incident to serving the business of the GA Investment Funds, including, but not limited to, the following ("**GASC Operating Expenses**"):

- compensation and expenses of the officers, employees of GASC and its subsidiaries, including salaries of the individual members of GA LLC in their capacity as members or employees of GASC or its subsidiaries;
- fees and expenses for administrative services, office supplies and equipment, telephone and maintenance of books and records of the GA Investment Funds;
- rent (and ancillary costs) of business premises (other than Investment Fund Platform Expenses (as defined below));
- the cost of reporting to the Limited Partners;
- the compensation, benefits and expenses of the employees, if any, of any GA Investment Fund (other than Investment Fund Platform Expenses); and
- all unreimbursed travel expenses relating to investments in Portfolio Companies, a proposed investment or a Terminated Investment (as defined below).

### *Partnership Expenses*

Except for the GASC Operating Expenses which are borne by GASC, the ongoing expenses of the GA Investment Funds are borne by the Limited Partners. These ongoing expenses borne by the Limited Partners include, without limitation, the following ("**Partnership Expenses**"):

- any taxes which may be assessed against any GA Investment Fund (other than any taxes assessed against any GA Investment Fund or GASC in respect of the Service Fees, which are borne by GASC);
- any and all costs and expenses incurred in connection with a GA Investment Fund entering into any credit facility or one or more other financing transactions as permitted under the governing agreement of such GA Investment Fund and interest payable on borrowings by the GA Investment Funds;

- all out-of-pocket expenses, other than GASC Operating Expenses payable by GASC, incurred in connection with the acquisition or disposition (whether or not such disposition is consummated) of an investment by any GA Investment Fund or the maintenance of such investment, including, but not limited to, legal expenses, commissions, brokerage fees or similar charges and merger fees payable to third parties;
- project-specific investment banking or consulting expenses (provided that no such expenses shall be payable to GA LLC or any affiliate of GA LLC);
- all liabilities and expenses of GA LLC, the members of GA LLC, their respective affiliates, and the partners, members, stockholders, directors, officers, employees and agents of each of the foregoing, the employees, agents and representatives of any GA Investment Fund, and GASC and its members, managers, officers, employees, agents and representatives relating to litigation or threatened litigation arising from any GA Investment Fund, investment in a Portfolio Company or any GA Investment Fund, proposed investment or any activities related thereto or otherwise contemplated by the Commitment Agreements (including, without limitation, any indemnification payment payable by a GA Investment Fund pursuant to a governing agreement of a GA Investment Fund), except to the extent that such litigation or threatened litigation is determined to have been related to, or have arisen as a result of, (x) fraud, gross negligence or willful misconduct on the part of the indemnified person (which expenses shall be borne by such indemnified person) or (y) internal disputes between or among the indemnified persons which expenses shall be borne by such indemnified persons);
- insurance premiums and other insurance costs and expenses incurred in connection with the activities of the GA Investment Funds, including, without limitation, errors, omissions, fidelity, crime, general partner liability, directors' and officers' liability and similar coverage for an indemnified person ("**Insurance Expenses**");
- all out-of-pocket expenses, except to the extent that such expenses are expressly GASC Operating Expenses incurred by GASC, for legal, custodial, auditing and tax preparation services provided to the GA Investment Funds;
- expenses of continuing the legal existences of the GA Investment Funds and qualifications to do business in any states or other jurisdictions designated by GA LLC;
- costs and expenses reasonably incurred in connection with organizing, maintaining and operating entities controlled by GA LLC or an affiliate thereof through which a GA Investment Fund will make and hold Investments, including rent, salaries and ancillary costs of such entities, and costs and expenses of administrators of such entities and the GA Investment Funds (the "**Investment Fund Platform Expenses**"); and

- governmental or regulatory fees.

A Pooled Account Investor is responsible for its share of Partnership Expenses pursuant to its interest in the Pooled Managed Account that is a Limited Partner.

At the discretion of a GA General Partner, Partnership Expenses payable by a Limited Partner or a Pooled Account Investor may be paid out of such investor's share of any net realized gains from a GA Investment Fund that would otherwise be distributable to such investor.

#### *Broken-Deal Expenses*

Under the Commitment Agreements, the Limited Partners are obligated to pay to GASC all reasonable costs and expenses incurred in connection with terminated investments (other than GASC Operating Expenses), including all reasonable fees and expenses of legal counsel, consultants and advisors incurred in connection with such terminated investments and all liabilities and expenses of any person indemnified under the Commitment Agreements relating to litigation or threatened litigation arising from such terminated investments, except to the extent that such litigation or threatened litigation is determined to have been related to, or have arisen as a result of, (i) fraud, gross negligence or willful misconduct on the part of an indemnified person (which expenses shall be borne by such indemnified person) or (ii) internal disputes between or among indemnified persons (which expenses shall be borne by such indemnified persons). A terminated investment is a proposed investment that is terminated (or with respect to which any GA General Partner otherwise elects not to consummate) following execution of a letter of intent, term sheet or similar agreement or following the execution of any agreement in principle or the submission of any bid letter or indication of interest by GA LLC or its affiliates with respect to such proposed investment.

Broken-Deal Expenses are allocated among, and charged to, all Limited Partners who would otherwise have participated in such investment quarterly pro rata in a manner that generally takes into account the amount of their capital commitments as of the end of such quarter.

A Pooled Account Investor is responsible for its share of Broken-Deal Expenses pursuant to its interest in the Pooled Managed Account that is a Limited Partner.

At the discretion of a GA General Partner, Broken-Deal Expenses payable by a Limited Partner or a Pooled Account Investor may be paid out of such investor's share of any net realized gains from a GA Investment Fund that would otherwise be distributable to such investor.

#### **Expenses – Sponsor Coinvestment Funds**

The Sponsor Coinvestors are generally responsible for the ongoing expenses of the Sponsor Coinvestment Funds. However, similar to the GASC Operating Expenses borne by GASC with respect to the Managed Accounts as described above, GASC assumes certain recurring operating expenses incident to serving the business of the Sponsor Coinvestment Funds.

Except for those certain recurring operating expenses borne by GASC, the ongoing expenses of the Sponsor Coinvestment Funds are borne by the Sponsor Coinvestors. These ongoing

expenses borne by the Sponsor Coinvestors include, without limitation, the Sponsor Coinvestment Funds' allocable portion of the Partnership Expenses described above to the extent such Partnership Expenses relate to the Sponsor Coinvestment Funds' activities. With respect to the portion of any Partnership Expenses attributable to a credit facility of a GA Investment Fund, if the Sponsor Coinvestment Funds are not participating in such credit facility, the Sponsor Coinvestors in the Sponsor Coinvestment Funds are not allocated any Partnership Expenses attributable to such credit facility (including interest payable on borrowings under such credit facility). With respect to the portion of Insurance Expenses that would otherwise be allocated to the Sponsor Coinvestors in the Sponsor Coinvestment Funds, GASC pays such Insurance Expenses on behalf of the Sponsor Coinvestors.

The Sponsor Coinvestors do not bear any Broken-Deal Expenses.

### **Other Fees**

GASC and its affiliates may infrequently receive from Portfolio Companies or prospective Portfolio Companies breakup fees, monitoring fees, transaction fees and other similar fees. In addition, certain members or employees of GASC or its subsidiaries may serve as directors of Portfolio Companies and receive directors' fees in the form of cash compensation and/or equity incentives. Except in unusual circumstances, members or employees of GASC or its subsidiaries do not receive directors' fees when serving on the board of directors of Portfolio Companies that are privately held (*i.e.*, not listed on a securities exchange).

With respect to investments in new Portfolio Companies made after the first quarter of 2011, 100% of any such fees and compensation paid to GASC, GA LLC or any of their respective members, managers, officers or employees, net of any related expenses, are applied to reduce the Service Fees otherwise payable to GASC.

As part of the General Atlantic investment program, GASC utilizes a network of Special Advisors who are former senior executives with substantial operating experience and a global network of industry contacts. The fees and compensation described in this section "Other Fees" do not include (and therefore do not reduce the Service Fees) any fees or other compensation (including directors' fees) paid by a Portfolio Company to any Special Advisor who, at the request of GASC or its subsidiaries, is providing services to such Portfolio Company.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Each GA Investment Fund makes performance-based allocations to the GA General Partners pursuant to the governing agreement of such GA Investment Fund and the Commitment Agreements. However, unlike the Limited Partners of the GA Investment Funds, no performance-based allocations are charged to the Sponsor Coinvestors in the Sponsor Coinvestment Funds.

## Performance-Based Allocations

Generally, each GA Investment Fund allocates 20% of net realized gain attributable to its Limited Partners' investment in a Portfolio Company to the GA General Partner of such GA Investment Fund. If all or a portion of any GA Investment Fund's investment in a Portfolio Company has been disposed of at a net loss, then (i) 1% of such loss is paid by the applicable GA General Partner in cash to such GA Investment Fund and then such cash is distributed to the Limited Partners having an interest in such investment, based on such Limited Partner's Applicable Percentage (as defined below) with respect to such investment and (ii) 19% of each Limited Partner's pro rata share of such loss (calculated based upon such Limited Partner's Applicable Percentage) with respect to such investment is credited to an account (the "**Investor Loss Restoration Account**") for the benefit of such Limited Partner. Consequently, each Limited Partner has its own Investor Loss Restoration Account that is credited with 19% of such Limited Partner's Applicable Percentage of all losses (if any) from investments that have been disposed of (or permanently written down) for a net loss.

To the extent that all or any portion of any GA Investment Fund's investment in a Portfolio Company is disposed of at a net gain and a Limited Partner with a positive balance in its Investor Loss Restoration Account has an interest in such investment, 20% of the net realized gain attributable to such Limited Partner's investment that would otherwise be allocated as the performance-based allocation to the applicable GA General Partner of such GA Investment Fund is re-allocated to such Limited Partner in order to reduce the positive balance of such Limited Partner's Investor Loss Restoration Account. As long as a Limited Partner has a positive balance in its Investor Loss Restoration Account, 20% of the net realized gain attributable to such Limited Partner from investments that are disposed of for a net realized gain that would otherwise be allocated to the applicable GA General Partner are reallocated to such Limited Partner until such Limited Partner's Investor Loss Restoration Account balance is zero.

For purposes of calculating the balance in each Limited Partner's Investor Loss Restoration Account, with respect to losses that arise out of the disposition (or permanent write-down) of investments made prior to January 1, 2013, 19% of each Limited Partner's Applicable Percentage of such losses is credited to such Limited Partner's Investor Loss Restoration Account, but the obligation of the GA General Partners to repay such losses from the reallocation of 20% of the net realized gain attributable to such Limited Partner from investments that are disposed of for a net realized gain is amortized over a period of five years. With respect to losses that arise out of investments in Portfolio Companies that are consummated on or after January 1, 2013 (other than certain investments made prior to January 1, 2013), there is no such amortization.

In addition, a GA General Partner's right to receive a performance-based allocation with respect to a Limited Partner's interest in an investment is restricted as set forth in the Commitment Agreements to the extent that at the time of the realization of such investment (or at another prescribed date set forth in the Commitment Agreements) the value of all of such Limited Partner's investments in Portfolio Companies is less than 120% of such Limited Partner's basis in such investments. Such percentage increases to 150% upon the earlier to occur of (i) the date upon which 85% of such Limited Partner's capital commitment has been funded or reserved for

funding by such Limited Partner to GA Investment Funds, provided that as of such date such Limited Partner has not notified GA LLC in writing that it or any of its affiliates wishes to renew such Limited Partner's capital commitment and (ii) the date upon which GA LLC receives written notice from such Limited Partner that neither it nor any of its affiliates intends to renew such Limited Partner's capital commitment. If such percentage has increased to 150% with respect to a Limited Partner, then it decreases to 120% on the first date following such increase upon which GA LLC receives written notice from such Limited Partner that it intends to renew its capital commitment. For purposes of determining if a Limited Partner is renewing its capital commitment, GA LLC may treat a new commitment from an affiliate or related party of such Limited Party as a renewal.

For purposes of the Pooled Managed Accounts, the Investor Loss Restoration Account and the 120% and 150% tests described above are determined on a "look through" basis and not determined by aggregating the investments of all of the Pooled Account Investors in such Pooled Managed Account. Accordingly, a Pooled Account Investor is treated in a similar manner to a Limited Partner with a Five-Year Commitment for purposes of the Investor Loss Restoration Account and the 120% and 150% tests described above.

### **Coinvestment for Members and Employees of GASC and its Subsidiaries**

The Sponsor Coinvestment Funds have been established as investment vehicles for members and employees (and former members and former employees) of GASC or its subsidiaries and persons who maintain or previously maintained a professional or business relationship (including members and former members of GA LLC's Executive Advisory Board and individuals that serve as Special Advisors to GASC or its subsidiaries) with GA LLC, GASC or GASC subsidiaries to invest their own capital.

The Sponsor Coinvestment Funds invest side-by-side in Portfolio Companies with, and on the same terms and conditions as, the investments made by the GA Investment Funds in Portfolio Companies, except that the Sponsor Coinvestment Funds do not pay any performance-based allocation to the GA General Partners. Accordingly, the Limited Partners through the GA Investment Funds and the investors through the Sponsor Coinvestment Funds hold securities of the same Portfolio Companies. The Sponsor Coinvestors in the Sponsor Coinvestment Funds do not pay Service Fees to GASC and do not pay Broken-Deal Expenses.

GASC is infrequently presented with an investment opportunity that is offered first to the GA Investment Funds, but declined by the GA Investment Funds because the aggregate investment amount is \$10 million or less and the opportunity does not satisfy the investment criteria of the Limited Partners (a "**Non-Qualifying Investment**"). These Non-Qualifying Investments are "Personal Investments" under the Commitment Agreements. The Sponsor Coinvestment Funds, members and employees of GASC (or its subsidiaries) in their individual capacities or investment funds that are affiliated with GASC and its members and employees may then elect to participate alone in the Non-Qualifying Investment. See Item 11. "Personal Investments" for a description of Personal Investments.

## Potential Conflicts of Interest

The Service Fee and performance allocation structure may present actual or perceived potential conflicts of interest if riskier investments are allocated to GA Investment Funds from which a GA General Partner receives performance-based allocations. To address such conflicts of interest, GASC requires that (i) all investments and dispositions of Portfolio Company securities are made simultaneously on the same effective terms and conditions by the GA Investment Funds and the Sponsor Coinvestment Funds, (ii) as more fully described below, all investments are allocated among the Limited Partners in the GA Investment Funds and the Sponsor Coinvestment Funds in proportion to their total annual capital commitments for investments (unless otherwise prescribed in the Commitment Agreements of the Limited Partners and other governing agreements of the Managed Accounts) and (iii) all dispositions of a tranche in Portfolio Company securities being sold are allocated among the Limited Partners in the GA Investment Funds and the Sponsor Coinvestment Funds pro rata based on their ownership interest in the tranche of the Portfolio Company securities being sold, unless such investment is sold within one year of being made in which case the disposition is allocated among the Limited Partners in the GA Investment Funds and the Sponsor Coinvestment Funds pro rata based on their ownership interest in the tranche of the Portfolio Company securities being sold that have been held for greater than one year.

## Allocation of Investments

Investments in Portfolio Companies are allocated among the GA Investment Funds and the Sponsor Coinvestment Funds. As further described below, the amount of an investment allocated to the GA Investment Funds (and then further allocated to the Limited Partners participating in the GA Investment Funds at the time of such investment) is determined based on the Annual Investment Target, the Sponsor Coinvestment Amount and the MPI Investment Amount (each as defined below).

### *Annual Investment Target*

As of January 1 of each calendar year, the Executive Committee of GA LLC determines the targeted amount of total capital that is anticipated to be invested by the GA Investment Funds during such calendar year in new and existing Portfolio Companies (the “**Annual Investment Target**”). The Annual Investment Target is an estimate and during any calendar year, the GA Investment Funds may meet or invest more or less than the Annual Investment Target for such calendar year. The Annual Investment Target for a calendar year is based on the Executive Committee’s judgment of factors, including, without limitation, the number and aggregate investment amount of active investment opportunities that are being evaluated by the GASC Managing Directors, the number and aggregate investment amount of investment opportunities that are anticipated to be evaluated by the GASC Managing Directors based upon the experience of prior years, economic conditions globally and in the regions where the GA Investment Funds make their investments, and the amount of unfunded committed capital of the Limited Partners and the Sponsor Coinvestors in the Sponsor Coinvestment Funds. During the course of a calendar year, the Executive Committee may increase or decrease the Annual Investment Target depending on changes in the factors described above.



### *Annual Sponsor Coinvestment Amount*

As of January 1 of each calendar year, each Sponsor Coinvestor that will participate in new investments by the Sponsor Coinvestment Funds commits an amount of capital that such Sponsor Coinvestor wishes to invest in the Sponsor Coinvestment Funds during such calendar year for the purpose of making investments in Portfolio Companies. The amounts committed by all of the Sponsor Coinvestors in such calendar year are then aggregated (such aggregate amount, the “**Sponsor Coinvestment Amount**”).

### *Annual MPI Amount; Participation of Limited Partners in the MPI Program*

Pursuant to the Commitment Agreements, GASC may annually waive all or a portion of the Service Fees of the Limited Partners and an amount equal to such waived Service Fees will be invested in Portfolio Companies by the Limited Partners for the benefit of GA MPI (the “**MPI Program**”). Prior to January 1 of each calendar year, GASC determines the targeted amount of aggregate capital to be invested in Portfolio Companies under the MPI Program for the subsequent year by the Limited Partners for the benefit of GA MPI (the “**MPI Investment Amount**”). Once the MPI Investment Amount is determined, GASC waives an equal amount of Service Fees otherwise collectable during the following calendar year. Under certain situations, GASC may not waive the Service Fees of certain Limited Partners. Generally, the Limited Partners whose Service Fees are waived are the Limited Partners who have capital commitments that have not been fully called, invested, used or reserved (*i.e.*, “unfunded capital commitments”) and unexpired commitment periods under their Commitment Agreements (the “**Current Limited Partners**”) and who otherwise do not meet GASC’s criteria for exclusion from participation in the MPI Program in a particular calendar year, as determined by GASC at the time of the Service Fee waiver. GASC may elect not to waive the Service Fees of a Current Limited Partner with respect to a particular calendar year if, during such calendar year, such Current Limited Partner is expected to complete the funding of its capital commitment or the commitment period of such Current Limited Partner will expire. This is because GA LLC and GASC may wish to minimize the likelihood that a Current Limited Partner may fund a portion of the MPI Investment Amount in a particular Portfolio Company for the benefit of GA MPI, but may not otherwise be participating in the investment by funding capital under its capital commitment because its capital commitment is fully funded. Alternatively, even if a Current Limited Partner is not expected to complete the funding of its capital commitment in such calendar year or the commitment period of such Current Limited Partner is not expected to expire in such calendar year, GASC may also elect not to waive the Service Fees of such Current Limited Partner if the aggregate amount of Service Fees that would otherwise be waived is determined by GASC to be a de minimis amount and, consequently, would create an administrative burden on such Current Limited Partner and/or GASC to manage. This circumstance may arise for Current Limited Partners with commitments of less than \$50 million. In addition, if, during a calendar year, a new investor that does not have a Commitment Agreement with GA LLC and GASC becomes a Limited Partner by entering into a Commitment Agreement, GASC generally does not (but may) elect to waive any Service Fees of such Limited Partner during the calendar year in which such investor became a Limited Partner. GASC may also consider such other factors as it deems relevant in deciding to exclude a Current Limited Partner from the MPI Program in any calendar year, which may include subjective

determinations such as administrative burdens, working relationships, investment structuring considerations and strategic benefits to GA LLC, GASC, the GA General Partners and the GA Investment Funds. In addition, GASC may elect to suspend the MPI Program with respect to any calendar year or on a permanent basis.

If the Annual Investment Target changes during any calendar year, during such calendar year GASC may elect to waive an amount of Services Fees otherwise collectable for a subsequent calendar year, which would result in an increase in the MPI Investment Amount available for investing in the current calendar year.

To the extent that the MPI Investment Amount for a calendar year is not fully funded in investments in such calendar year, the unfunded amount is available under the MPI Program to be invested in subsequent calendar years.

The MPI Program also applies on a “look-through” basis to each Pooled Account Investor pursuant to its interest in the Pooled Managed Account that is a Limited Partner. As with the Limited Partners, GASC may elect not to waive the service fees of a Pooled Account Investor if the aggregate amount of service fees payable by such Pooled Account Investor that would otherwise be waived is determined by GASC to be a de minimis amount and, consequently, would create an administrative burden.

*Allocation of Annual Investment Target Among the Sponsor Coinvestment Funds, GA MPI and the Limited Partners*

After the Annual Investment Target, the Sponsor Coinvestment Amount and the MPI Investment Amount have been determined for a calendar year, a percentage of the Annual Investment Target is allocated among the Sponsor Coinvestment Funds, GA MPI and the Current Limited Partners (in the aggregate). The percentage allocated to the Sponsor Coinvestment Funds is a fraction, the numerator of which is the Sponsor Coinvestment Amount and the denominator of which is the Annual Investment Target (the “**Sponsor Coinvestment Percentage Allocation**”). The percentage allocated to GA MPI is a fraction, the numerator of which is the MPI Investment Amount and the denominator of which is the Annual Investment Target (the “**MPI Percentage Allocation**”). The percentage allocated to the Current Limited Partners in the aggregate is one (1) minus the sum of the Sponsor Coinvestment Percentage Allocation and the MPI Percentage Allocation (the “**Aggregate LP Percentage Allocation**”).

*Changes in the Allocation among the Sponsor Coinvestment Funds, GA MPI and the Limited Partners*

During a calendar year, the Sponsor Coinvestment Percentage Allocation, the MPI Percentage Allocation and the Aggregate LP Percentage Allocation may change from time to time (including from one investment to the next). Certain examples of factors that could result in changes to the Sponsor Coinvestment Percentage Allocation, the MPI Percentage Allocation and the Aggregate LP Percentage Allocation are described below.

The Sponsor Coinvestment Amount may change for the following reasons:

(i) As of each July 1, Sponsor Coinvestors in the Sponsor Coinvestment Funds may be permitted to increase their commitment amount to the Sponsor Coinvestment Funds for the remainder of such calendar year. If Sponsor Coinvestors increase their commitments to the Sponsor Coinvestment Funds, then the Sponsor Coinvestment Amount increases.

(ii) If during a calendar year an individual becomes an employee or member of GASC or its subsidiaries or establishes a professional or business relationship with GA LLC, GASC or GASC subsidiaries, then this individual may be permitted to become a Sponsor Coinvestor by committing an amount of capital to the Sponsor Coinvestment Funds for the purpose of making investments in Portfolio Companies. An individual who becomes a Sponsor Coinvestor participates only in investments made by the Sponsor Coinvestment Funds after such individual becomes a Sponsor Coinvestor. Such individual does not receive an allocation of investments made by the Sponsor Coinvestment Funds prior to such individual's admission as a Sponsor Coinvestor. The admission of a new Sponsor Coinvestor results in an increase in the Sponsor Coinvestment Amount.

(iii) If during a calendar year a Sponsor Coinvestor ceases to be an employee or member of GASC or its subsidiaries or ceases to have a professional or business relationship with GA LLC, GASC or GASC subsidiaries, then the Sponsor Coinvestment Funds may no longer permit such Sponsor Coinvestor to fund capital for investments made after such individual ceases his or her relationship with GA LLC, GASC or GASC subsidiaries and, consequently, the Sponsor Coinvestment Amount will decrease as a result of such individual ceasing his or her participation in the Sponsor Coinvestment Funds.

When the Sponsor Coinvestment Amount changes, the Sponsor Coinvestment Percentage Allocation is recalculated. Because the Sponsor Coinvestment Percentage Allocation is determined based on the ratio of the Sponsor Coinvestment Amount to the Annual Investment Target, if the Sponsor Coinvestment Amount increases during the year (and the Annual Investment Target remains constant), the Sponsor Coinvestment Percentage Allocation increases. This will result in a corresponding decrease in the Aggregate LP Percentage Allocation because the Aggregate LP Percentage Allocation is one (1) minus the sum of the Sponsor Coinvestment Percentage Allocation (which has increased) and the MPI Percentage Allocation. Alternatively, if the Sponsor Coinvestment Amount decreases during the year (and the Annual Investment Target remains constant), the Sponsor Coinvestment Percentage Allocation decreases and the Aggregate LP Percentage Allocation increases. Changes to the Sponsor Coinvestment Amount during a year does not result in changes to the MPI Percentage Allocation.

The MPI Percentage Allocation and Aggregate LP Percentage Allocation may change if, for example, the MPI Investment Amount for a calendar year has been fully funded prior to the time an investment is being made during such calendar year. In that case, the MPI Percentage Allocation for such investment would be zero and would result in a change to the Aggregate LP Percentage Allocation because, as described above, the calculation of the Aggregate LP Percentage Allocation takes into account the MPI Percentage Allocation. In addition, as described above under "Annual MPI Amount; Participation of Limited Partners in the MPI Program", the MPI Investment Amount for a calendar year may increase, in which case the MPI

Percentage Allocation and the Aggregate LP Percentage Allocations will be recalculated as the calculation of both take into account the MPI Investment Amount.

In addition, if the Annual Investment Target changes during a calendar year, both the Sponsor Coinvestment Percentage Allocation and the MPI Percentage Allocation are also recalculated. Because the Sponsor Coinvestment Percentage Allocation is determined based on the ratio of the Sponsor Coinvestment Amount to the Annual Investment Target, if the Annual Investment Target increases (and the Sponsor Coinvestment Amount remains constant), then the Sponsor Coinvestment Percentage Allocation decreases. Similarly, if the Annual Investment Target increases, then the MPI Percentage Allocation decreases because the MPI Percentage Allocation is also a percentage of the Annual Investment Target. A reduction in the Sponsor Coinvestment Percentage Allocation and/or a reduction in the MPI Percentage Allocation will result in a corresponding increase in the Aggregate LP Percentage Allocation. Alternatively, if the Annual Investment Target decreases during the year (and the Sponsor Coinvestment Amount remains constant), the Sponsor Coinvestment Percentage Allocation and the MPI Percentage Allocation increase and the Aggregate LP Percentage Allocation decreases.

*Allocation of an Investment between the Limited Partners and the Sponsor Coinvestors*

After the Aggregate LP Percentage Allocation is calculated, an investment in a Portfolio Company is allocated among the Limited Partners participating in the investment. At the time of an initial investment in a Portfolio Company in which the GA Investment Funds have not previously made an investment (*i.e.*, an investment that is not a Follow-On Investment (as defined and more fully described below)), (i) the portion of the investment allocated to the Limited Partners (in the aggregate) is the product of the Aggregate LP Percentage Allocation multiplied by the investment amount (the “**LP Investment Amount**”), (ii) the portion of the investment allocated to the MPI Program’s participation in the investment (in the aggregate) is the product of the MPI Percentage Allocation in effect at the time of such investment multiplied by the investment amount (the “**MPI Amount**”) and (iii) the portion of the investment allocated to the Sponsor Coinvestors (in the aggregate) is the product of the Sponsor Coinvestment Percentage Allocation in effect at the time of such investment multiplied by the investment amount (the “**Sponsor Coinvestment Amount**”). The Limited Partners contribute the Aggregate LP Investment Amount to the applicable GA Investment Funds and the Limited Partners who are participating in the MPI Program in the year in which the investment is being made also contribute to the applicable GA Investment Funds the MPI Amount for the benefit of GA MPI, and such GA Investment Funds use such contributions to make investments in Portfolio Companies (and pay any associated fees and expenses). The Sponsor Coinvestment Amount is funded to the Sponsor Coinvestment Funds by the Sponsor Coinvestors participating in the investment and the Sponsor Coinvestment Funds make investments in the Portfolio Companies concurrently with, and on the same terms and conditions as, the GA Investment Funds participating in such Portfolio Company investments. In some cases, the GA Investment Funds and the Sponsor Coinvestment Funds may fund to one or more intermediate General Atlantic investment entities or funds, which entities or funds make the investment in the Portfolio Company.

### *Allocation of LP Investment Amount and the MPI Amount among the Limited Partners*

The LP Investment Amount is allocated among the Current Limited Partners (*i.e.*, the Limited Partners who have capital commitments that have not been fully called, invested, used or reserved and unexpired commitment periods under their Commitment Agreements) based on their applicable percentage (the “**Applicable Percentage**”) of the LP Investment Amount at the time of the investment. Under the Commitment Agreements, each Limited Partner’s Applicable Percentage is (x) the total amount of its capital commitment divided by (y) the total capital commitments of all of the Limited Partners. GA LLC may, under the Commitment Agreements, vary the Applicable Percentage based on a reasonable determination under the limited circumstances of a particular investment. Historically, Applicable Percentages have been varied pursuant to the preceding sentence to take into account that a Current Limited Partner is excused from participating in certain types of investments due to laws, regulations or policies applicable to such Limited Partner, in which case, such Limited Partner’s capital commitment has not been included for purposes of determining the Applicable Percentage of the other Current Limited Partners.

A Limited Partner’s Applicable Percentage may vary from time to time, and from one investment to the next, during its commitment period for reasons including the following:

(i) If a new investor becomes a Limited Partner during the commitment period of other Limited Partners, then the Applicable Percentages of such other Limited Partners will decrease because the aggregate capital committed to the General Atlantic investment program has increased.

(ii) If a Limited Partner increases its capital commitment amount during its commitment period, then the Applicable Percentages of the other Limited Partners will decrease because the aggregate capital committed to the General Atlantic investment program has increased.

(iii) If a Limited Partner renews its commitment to GA after its commitment period has expired or its capital commitment amount has been funded in full, but the amount of such Limited Partner’s renewal commitment is less than its prior commitment, then the Applicable Percentages of the other Limited Partners will increase because the aggregate capital committed to the General Atlantic investment program has decreased.

(iv) If a Limited Partner does not renew its commitment to GA after its commitment period has expired or its capital commitment amount has been funded in full, then the Applicable Percentages of the other Limited Partners will increase because the aggregate capital committed to the General Atlantic investment program has decreased.

In addition, if a Limited Partner’s Applicable Percentage of the LP Investment Amount exceeds such Limited Partner’s unfunded capital commitment (*i.e.*, the amount of such Limited Partner’s capital commitment that has not been fully called, invested, used or reserved under its Commitment Agreement), then such Limited Partner is obligated to fund its Applicable Percentage of the LP Investment Amount up to the remaining unfunded portion of its capital commitment and the excess amount is reallocated to the other Current Limited Partners based on

their Applicable Percentage of such excess amount. For purposes of calculating the allocation of the excess amount, the capital commitment of such Limited Partner that fully funded its capital commitment is not included in the Applicable Percentage formula. For Current Limited Partners, their Applicable Percentage will then increase for future investments because the aggregate capital committed to the General Atlantic investment program has decreased.

For a Limited Partner with an Evergreen Commitment, the amount of the Evergreen Commitment is used to determine the Limited Partner's Applicable Percentage, and the Limited Partner's LP Investment Amount will not exceed such Limited Partner's unfunded capital commitment because an Evergreen Commitment does not have a fixed capital commitment.

#### *Allocation of MPI Amount among the Limited Partners*

The MPI Amount is allocated among the Current Limited Partners participating in the MPI Program in a particular calendar year based on a formula similar to the allocation of the LP Investment Amount. Each Current Limited Partner's allocation of the MPI Amount is (x) the total amount of such Current Limited Partner's capital commitment divided by (y) the total capital commitments of all of the Current Limited Partners participating in the MPI Program in such calendar year (although GA LLC may vary such percentage based on a reasonable determination under the circumstances of a particular investment). If any Current Limited Partner increases its capital commitment during any year, then with respect to any investments made in such year, for purposes of the formula in the preceding sentence the amount by which such Current Limited Partner's capital commitment increased is not taken into account.

#### *Allocation of Follow-On Investments*

In the event of an investment in a Portfolio Company following the initial investment in such Portfolio Company (a "**Follow-On Investment**"), the amount of the Follow-On Investment is allocated among the Current Limited Partners and the Sponsor Coinvestors who participated in the prior investments in the Portfolio Company. The amount of the Follow-On Investment is preliminarily allocated among each Limited Partner and each Sponsor Coinvestor who participated in the prior investments in the Portfolio Company (regardless of whether or not such Limited Partner is a Current Limited Partner and regardless of whether or not such Sponsor Coinvestor continues to commit capital to the Sponsor Coinvestment Funds) based on (x) the sum of such person's unreturned capital with respect to the initial investment and any prior Follow-On Investments in the Portfolio Company divided by (y) the sum of all unreturned capital with respect to the initial investment and any prior Follow-On Investments in the Portfolio Company of all of such Limited Partners and Sponsor Coinvestors who participated in the prior investments in the Portfolio Company. The amounts that were preliminarily allocated to Limited Partners who are not Current Limited Partners, and the amounts that are preliminarily allocated to Sponsor Coinvestors who no longer commit capital to the Sponsor Coinvestment Funds, are then reallocated to the Current Limited Partners who participated in the prior investments in the Portfolio Company and the Sponsor Coinvestors who currently commit capital to the Sponsor Coinvestment Funds and who participated in the prior investments in the Portfolio Company. This reallocation is based on the same formula described in the second sentence of this paragraph, except that it is based on the sum of all unreturned capital of such Current Limited Partners and such currently committed Sponsor Coinvestors.

Limited Partners and Sponsor Coinvestors that did not participate in the initial investment in a Portfolio Company will not participate in Follow-On Investments.

### *LP Co-Investment Policy*

GA LLC may, to the extent that it believes in its sole discretion it is appropriate to do so, offer co-investment opportunities to any Limited Partner and any Pooled Account Investor in a Pooled Managed Account. Co-investment opportunities offered to Limited Partners and any Pooled Account Investors may be made available through limited partnerships or other entities formed to make such investments. GA LLC has adopted a policy governing co-investment opportunities which sets forth certain factors that GA LLC may consider, based on the facts and circumstances of a potential investment, in determining whether or not to offer a co-investment opportunity to Limited Partners and Pooled Account Investors. All co-investment opportunities will be allocated as GA LLC determines in its sole discretion.

As of the date of this brochure, other than (x) Limited Partners that are limited partners of General Atlantic Coinvestment Program, L.P., a Delaware limited partnership (the “**LP Coinvestment Program**”), and (y) Limited Partners that have provided advice or significant strategic advantages to GA in connection with a particular investment or a Portfolio Company, or otherwise increased the value and potential return on a portfolio company investment, GA LLC has not given any Limited Partner or Pooled Account Investor the opportunity to participate in co-investments.

The LP Coinvestment Program was established in 2007 to facilitate the participation of eligible Limited Partners in co-investments. An eligible Limited Partner is a Limited Partner who, at the time of the applicable co-investment opportunity, has a current commitment (*i.e.*, committed funds are available for new portfolio company investments) of at least \$150 million. Under the terms of the LP Coinvestment Program, (i) GA LLC has sole discretion to determine whether or not to offer investment opportunities to the LP Coinvestment Program, how much of a particular investment opportunity to offer to the LP Coinvestment Program and the terms of any investment to be made by the LP Coinvestment Program; (ii) the eligible Limited Partners have the right to accept or decline participation in any co-investment opportunity offered to the LP Coinvestment Program; and (iii) if the LP Coinvestment Program participates in a co-investment, the LP Coinvestment Program invests side-by-side and on the same terms and conditions as the investment being made by the Managed Account Program, except that the eligible Limited Partners participating in such co-investment through the LP Coinvestment Program do not pay any carried interest or management fees with respect to their interest in the LP Coinvestment Program. Under the terms governing the LP Coinvestment Program, on or after January 1, 2010, GA LLC has the right, in its sole discretion, to terminate the LP Coinvestment Program, or to modify its governing terms for periods thereafter, if GA LLC believes that the LP Coinvestment Program should be terminated, modified or reconstituted because it is not fulfilling its intended purpose or is not consistent with the overall business of GA LLC and its affiliates.

As of the date of this brochure, the LP Coinvestment Program has participated in one portfolio company investment. GA LLC is under no obligation to continue the LP Coinvestment Program. GA LLC may continue to use the LP Coinvestment Program if GA LLC decides, in its sole discretion, to offer co-investments to eligible Limited Partners. GA LLC may also in the future consider offering co-investment opportunities to Limited Partners and Pooled Account Investors

who have current commitments that are less than \$150 million and/or do not participate in co-investments through the LP Coinvestment Program.

For the avoidance of doubt, co-investments referred to in this section titled “LP Coinvestment Policy” do not include (i) the allocation of investment opportunities to the Sponsor Coinvestors and Sponsor Coinvestment Funds and (ii) any co-investment opportunities that GA LLC may offer to other third parties, including, without limitation, third parties that have participated in the origination of an investment opportunity or who GA LLC believes may benefit the GA Investment Funds, GA LLC, one or more Portfolio Companies or any of their respective affiliates.

## **Item 7. Types of Clients**

### **Limited Partners**

As discussed in “Item 4. Advisory Business” above, GASC provides investment advisory and management services to Limited Partners who enter into a Commitment Agreement with GA LLC and GASC. Limited Partners include both investors that enter into such Commitment Agreements and the Pooled Managed Accounts that enter into such Commitment Agreements.

The minimum initial Five-Year Commitment by a Limited Partner pursuant to a Commitment Agreement is generally \$100 million, although GA LLC has the authority to accept commitments of any amount from Limited Partners with a Five-Year Commitment.

A Limited Partner with an Evergreen Commitment must commit \$100 million or more to GA LLC pursuant to its Commitment Agreement.

A Pooled Account Investor may invest in the GA Investment Funds through a Pooled Managed Account (of which there are currently two: GAIP I and GAIP 2013) by making a minimum initial five year commitment of generally \$50 million, although the GA General Partner of such Pooled Managed Account may accept a lower initial commitment amount in cases where GA LLC believes that a Pooled Account Investor will ultimately become a Limited Partner with a Managed Account or otherwise may represent a strategic relationship.

Each Limited Partner that enters into a Commitment Agreement, and each Pooled Account Investor, is required to meet certain suitability qualifications, such as being an “accredited investor” under Rule 501 of Regulation D of the Securities Act of 1933, as amended, and a “qualified purchaser” as defined in Section 2(a)(51) the Investment Company Act of 1940, as amended.

Limited Partners of the GA Investment Funds and Pooled Account Investors include, but are not limited to, high net worth individuals, family offices, endowments, foundations, trusts, estates, charitable organizations, pooled investment vehicles and other corporate entities, institutions and vehicles.

For more detailed descriptions of the Five Year Commitments, Evergreen Commitments and Pooled Managed Accounts, please see “Item 4. Advisory Business” and “Item 5. Fees and Compensation”.



## **Sponsor Coinvestment Funds**

GASC also provides investment advisory and management services to the Sponsor Coinvestment Funds. As described under “Item 4. Advisory Business” and “Item 6. Performance Based Fees and Side-by-Side Management – Coinvestment Program for Employees and Strategic Partners of GASC” above, the Sponsor Coinvestment Funds include members and employees (and former members and former employees) of GASC or its subsidiaries and persons who maintain or previously maintained a professional or business relationship (including members and former members of GA LLC’s Executive Advisory Board and individuals that serve as Special Advisors to GASC or its subsidiaries) with GA LLC, GASC or GASC subsidiaries.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Method of Analysis and Investment Strategies**

The GA Investment Funds (which solely for purposes of this Item 8 includes both the GA Investment Funds and the Sponsor Coinvestment Funds) focus on making minority investments in later-stage growth companies that seek to scale their organizations, consolidate their industries, expand regionally or globally and build internal capabilities in advance of an initial public offering or a trade sale. The GA Investment Funds may also selectively invest in growth buyouts or build-ups, which are investments in larger, more mature growth companies, and in public companies (either at the initial public offering or in the open market) that may represent an attractive investment theme. From time to time, the GA Investment Funds may also invest in emerging growth companies, which are earlier stage investments where GASC believes that there is the potential for outsized returns. The GA Investment Funds seek and typically obtain representation on the board of directors of the Portfolio Companies in order to be an active, value-added investor.

### *Thematic and Sectoral Focus*

GASC’s investment strategy is primarily driven by the identification and development of new investment opportunities based upon themes within specific sectors and regions. GASC and its subsidiaries have approximately 100 investment professionals globally and have developed domain knowledge in five industry sectors: Business Services, Consumer, Financial Services, Healthcare and Internet & Technology. The focus on these sectors may evolve over time to reflect increasing globalization and other emerging trends.

### *Global Presence and Integration*

GASC focuses its investments in North America, Europe, Latin America, India, China and Southeast Asia. When pursuing investment opportunities, investment professionals within sectors also work collaboratively across GASC’s offices globally (New York, Greenwich, Palo Alto, São Paulo, London, Munich, Amsterdam, Mumbai, Hong Kong, Beijing and Singapore).

### *Investment and Valuation Process*

GASC seeks to apply the following criteria to identify attractive investment opportunities:

- Strong market position and favorable industry structure
- High quality, experienced management team with aligned incentives
- Deep, addressable and rapidly growing market
- Proven and sustainable economic model
- Sustainable competitive advantage, with significant intellectual property and high barriers to entry
- Identifiable levers for value creation and multi-path exit strategy

Generally, before a new investment is made, GASC conducts comprehensive financial, legal and market due diligence on potential Portfolio Companies, and extensive management and customer reference calls. GASC's industry expertise and broad network of contacts contribute to its ability to conduct extensive and detailed due diligence when evaluating investment opportunities.

After a GA Investment Fund has made an investment in a Portfolio Company, GASC's objective is to help the Portfolio Company accelerate growth and reduce execution risk as a company scales its organization and operations. Working alongside management, professionals of GASC and its subsidiaries seek to provide ongoing strategic, financial and operational support in the following ways:

- Growth Acceleration:
  - Identifying market trends and expansion opportunities
  - Assisting with strategy for international expansion, global distribution and strategic alliances
  - Evaluating potential acquisition opportunities and assisting in acquisition structuring, due diligence and negotiations
  - Enhancing branding and marketing capabilities
- Performance Improvement:
  - Improving key operating metrics for maximum performance
  - Leveraging GASC's deep knowledge and expertise in technology efficiency
  - Assisting in developing corporate financial systems and controls
  - Realizing synergies in post-merger integration
- Global Access (Talent, Expertise, Resources):

- Helping to attract key executive management
- Building an independent, experienced board of directors
- Introducing management to GASC's global relationships and networks to provide rapid access to world class expertise and resources

GASC takes a disciplined approach to valuation and discusses growth opportunities and exit options (*e.g.*, IPO, strategic sale) with management at the time of investment. After an investment is completed, GASC conducts formal valuations of all Portfolio Companies semi-annually using a combination of methodologies, including market-based (*e.g.*, public company comparables, precedent transactions) and income-based (*e.g.*, discounted cash flow analysis) approaches, to properly evaluate and track investment performance. Year-end valuations are audited annually by an independent audit firm as part of the annual audit of the financial statements of the GA Investment Funds.

GASC also has an in-house Resources Group consisting of professionals who have specific functional knowledge and expertise in operations, finance, technology, human capital management, outsourcing and marketing. The Resources Group works closely with investment teams and other GASC professionals throughout the due diligence process and after an investment is consummated to identify and address strategic, operational and financial issues of Portfolio Companies.

#### *Long-Term Investment Horizon and Liquidity*

GASC typically seeks to accelerate growth and build companies over a long-term investment horizon but maintain flexibility with respect to the ultimate timing of investment dispositions in order to capitalize on market dynamics and exit opportunities. GASC works with Portfolio Company management teams to balance building company value and realizing liquidity. The GA Investment Funds generally seek to obtain liquidity from Portfolio Companies by selling shares in initial public offerings, secondary market sales and trade sales of the Portfolio Companies.

#### **Risk of Loss**

Investing in the GA Investment Funds involves a number of risks. An investment in the GA Investment Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the GA Investment Funds. No guarantee or representation is made that the GA Investment Funds will achieve their investment objectives or that investors will receive a return of their capital.

All investing involves a risk of loss, and the investment strategy offered by GASC could lose money over short or even long periods. The description contained below is a brief overview of different market risks related to the GA Investment Funds.

## *General Economic and Market Risks*

**General Economic Conditions and Recent Events.** Various sectors of the global financial markets have been experiencing an extended period of adverse conditions. In recent years, market uncertainty globally has increased dramatically. These conditions have resulted in disruption of the global credit markets, periods of reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. These volatile and often difficult global credit market conditions have episodically adversely affected the market values of equity, fixed-income and other securities and these circumstances may continue or even deteriorate further. The GA Investment Funds' investments are expected to be sensitive to the performance of the overall global economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of the GA Investment Funds and these or similar events may affect the ability of the GA Investment Funds to execute their investment strategies.

**Financial Market Conditions and Fluctuations.** The GA Investment Funds may from time to time make, and do so on a regular basis, investments in securities of private companies without an active trading market. Traditional exit opportunities for such investments have consisted primarily of initial public offerings, secondary sales of securities into the market and acquisitions of Portfolio Companies by publicly traded companies, sometimes for stock. The ability of the GA Investment Funds to sell securities and realize investment gains will depend upon favorable market conditions. Initial public offering and merger and acquisition opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory, or other factors. In addition, general fluctuations in the market prices of securities may affect the value of the investments held by the GA Investment Funds. Therefore, there is no assurance that the GA Investment Funds will be able to realize liquidity for such investments in a timely manner, if at all.

**Market Disruptions.** Certain of the GA Investment Funds' previous investments have benefited from favorable borrowing conditions in the debt markets, which historically have been cyclical. The financing available to the GA Investment Funds from banks and other counterparties is typically reduced in disrupted markets. Liquidity opportunities such as initial public offerings and secondary market sales are also adversely affected by market disruptions. Such a reduction may result in losses to the GA Investment Funds and may impair, potentially materially, the GA Investment Funds' ability to make similar distributions. Market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the GA Investment Funds and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

**Changes to the Regulatory Framework.** Many of the investments and investment strategies employed by GASC are subject to numerous laws and regulations in many jurisdictions. In addition, GASC, the GA Investment Funds and their affiliates operate in multiple jurisdictions that are governed by a number of different legal systems and regulatory regimes, some of which are new and evolving. As a result, GASC, the GA Investment Funds and their affiliates are subject to a number of risks, including changing laws and regulations,

developing interpretations of such laws and regulations, judicial decisions and scrutiny by regulators. Some of this evolution may result in scrutiny or claims against GASC, the GA Investment Funds and their affiliates directly for actions taken or not taken by them or result in ambiguity or conflict among legal or regulatory schemes applicable to their businesses, all of which could adversely affect the GA Investment Funds or the value of their investments. Thus, GASC, the GA Investment Funds and their affiliates face the risk of potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on an investor's investment in a GA Investment Fund, or on GASC, the GA Investment Funds or their affiliates, of any such legal risk, litigation or regulatory action could be substantial and adverse.

### *Risks Associated with the General Atlantic Investment Program and Portfolio Companies*

**Nature of Investments.** The GA Investment Funds primarily focus on making investments on a national or global basis in (i) companies with growth characteristics whose growth is or will be driven by attractive market or industry characteristics, regional and/or global expansion, acquisitions, superior management, technology, financial resources and/or access to key clients, customers, decision makers or experts, and (ii) companies driven by information technology or intellectual property. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that may result in substantial losses.

Portfolio Companies in which the GA Investment Funds invest could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment, or an economic downturn. As a result, Portfolio Companies which were expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of the GA Investment Funds' investment strategy and approach will depend, in part, on the ability of GASC to effect improvements in the operations of a Portfolio Company and/or recapitalize its balance sheet. The activity of identifying and implementing operating improvements and/or recapitalization programs at Portfolio Companies entails a high degree of uncertainty.

There can be no assurance that GASC will be able to successfully identify and implement such operating improvements and/or recapitalization programs and evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of the investments may be volatile and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of GASC's activities. As a result, the GA Investment Funds' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

**Focused Investment Strategy and Limited Number of Investments.** As a result of GASC's investment focus, investors do not enjoy the reduced risks of a broadly diversified portfolio. A specific investment focus is inherently more risky and could cause the GA Investment Funds' investments to be more susceptible to particular economic, political,

regulatory, technological, or industry conditions or occurrences compared with a fund, or a portfolio of funds, that is more diversified or has a broader industry focus.

If the capital raised by GASC is less than the targeted amount, the GA Investment Funds may invest in fewer Portfolio Companies and thus the investment portfolio of investors will be less diversified. As a result, an investor's investment portfolio could become highly concentrated and the aggregate return may be affected substantially by the performance of a few holdings. Investors in the GA Investment Funds have no assurance as to the degree of diversification of the GA Investment Funds' investments, either by geographic region, asset type or sector. Moreover, because it is not reasonable to expect all of the GA Investment Funds' investments to perform well or even return capital, for the GA Investment Funds to achieve above-average returns, one or a few of their investments must perform very well. There are no assurances that this will be the case.

**Need for Follow-On Investments.** Following the initial investment in a Portfolio Company, the GA Investment Funds may be called upon to provide additional funds or have the opportunity to increase its investment in such company, especially in light of the distress in the public and private marketplace. There is no assurance that the GA Investment Funds will make follow-on investments or that there will be sufficient funds to make all such investments. Any decision by the GA General Partners not to make follow-on investments, or their inability to make them, may have a substantial negative impact on a Portfolio Company in need of such an investment or may diminish GASC's ability to influence the Portfolio Company's future development.

**Risks Associated with Foreign Investments.** The GA Investment Funds invest in non-U.S. businesses and do so on a regular basis. Foreign investments involve certain factors not typically associated with investing in U.S. businesses and securities. For instance, investments in non-U.S. businesses (a) may require government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations, and (b) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the U.S. In addition, such risks of investing in non-U.S. companies may include, in general, risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and various foreign currencies in which the investments in foreign Portfolio Companies are denominated, and costs associated with conversion of investment principal and income from one currency into another (GA LLC does not hedge foreign currency exposure on its foreign investments, although it may hedge against foreign currency risk when calling capital for an investment denominated in a foreign currency), (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation, (iii) certain economic and political factors, 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, and (iv) the possible imposition of foreign taxes on income and gain recognized with respect to such securities. In addition, there are certain laws and regulations governing the use of certain information technology that are

different and more restrictive than the laws and regulations of the U.S. Any adverse change to the political, economic, military or social environments in the host countries of the Portfolio Companies could have a significant adverse effect upon the operations or financial performance of the GA Investment Funds.

**Minority Investments.** The GA Investment Funds make minority equity investments in companies. As a minority investor in a Portfolio Company, the GA Investment Funds are not likely to be able to control or influence effectively the business or affairs of the Portfolio Company and may not have full transparency into its day-to-day operations and business affairs. The GA Investment Funds may have no right to appoint a director and a limited ability to protect their interests in such companies and to influence such companies' management. Such a company may have economic or business interests or goals that are inconsistent with those of GASC, and GASC may not be in a position to limit or otherwise protect the value of the investment in the company, although as a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect the investors' investments. There can be no assurance that such minority investor rights will be available, or that such rights will provide sufficient protection of investors' interests.

**Co-Investments with Third Parties.** The GA Investment Funds may co-invest, and have from time to time co-invested, in a Portfolio Company with financial, strategic, or other third parties. Such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the GA Investment Funds, may have financial difficulties resulting in a negative impact on such investment or may be in a position to take action contrary to the GA Investment Funds' investment objectives. In addition, a GA Investment Fund may in certain circumstances be liable for the actions of its third party partners or co-venturers. Investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third party partners or co-venturers.

In addition, the GA Investment Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the GA Investment Funds are not affiliated and whose interests may conflict with the interests of the GA Investment Funds.

As a condition of making such investments, it is expected that appropriate shareholder rights generally will be sought to protect the investments of the GA Investment Funds; however, there can be no assurance that such rights will be available, or that such rights will provide sufficient protection of such interests.

**Difficulty of Locating Suitable Investments.** Although GASC believes that it should be able to attract suitable deal flow, GASC may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. GASC expects investment competition from other entities having similar investment goals and objectives. Potential competitors include other investment partnerships, private equity and buyout firms, corporations, strategic investors and other financial investors investing directly or through affiliates. Some of these competitors may have more market experience and contacts, greater financial capital and resources and more personnel than GASC. As the competition for investments in growth companies increases, there

can be no assurances that GASC will be able to meet its investment criteria and achieve its rate of return objectives for Limited Partners. Likewise, there can be no assurance that the GA Investment Funds will be able to realize upon the value of their investments or that they will be able to invest all of their committed capital. As such, poor performance by a few of the GA Investment Funds' investments could severely affect the total returns to investors.

**Risk Arising from Provision of Managerial Assistance.** The Managing Directors of GASC or its subsidiaries and/or other GASC investment professionals typically serve on the boards of directors of Portfolio Companies. The designation of directors and other measures contemplated could expose a GA Investment Fund's assets to claims by a Portfolio Company, its security holders and its creditors. While GASC intends to operate in a way that will minimize exposure to these risks, the possibility of successful claims by Portfolio Companies cannot be precluded.

If a GASC investment professional serves as a director of a Portfolio Company, such individual may become subject to fiduciary or other duties which could adversely affect the GA Investment Funds. For example, the GA Investment Funds may be unable to sell portfolio securities if a board member affiliated with GASC is in possession of inside information relating to the issuer thereof or during "black out" periods. Nevertheless, investment professionals of GASC typically serve on Portfolio Company boards of directors.

Furthermore, the GA Investment Funds may obtain rights to participate substantially in and to influence substantially the conduct of the management of their Portfolio Companies which could expose the GA Investment Funds to claims by Portfolio Companies, their security holders and their creditors. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. If these liabilities were to occur, investors could suffer losses in their investments and indemnification risks arising out of litigation.

**Dependence on Key Personnel.** The success of the GA Investment Funds is dependent on the financial and managerial expertise of the key personnel of GASC and its subsidiaries. The loss of these individuals could have a material adverse effect on the performance of the GA Investment Funds. The key personnel are under no contractual obligation to remain with GASC or any of its subsidiaries for all or any portion of the term of any Managed Account or GA Investment Fund. As a result, the ability of GASC to carry on its activities successfully is dependent upon the skill and experience of the personnel of GASC.

**Expedited Transactions.** Investment analyses and decisions by GASC may be undertaken on an expedited basis in order for the GA Investment Funds to take advantage of available investment opportunities. In such cases, the information available to GASC at the time of an investment decision may be limited, and GASC may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, GASC may conduct its due diligence activities in a very brief period and may assume the risks of obtaining certain consents or waivers under contractual obligations.



**Leverage.** To the extent that the GA Investment Funds invest in a Portfolio Company with a leveraged capital structure, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry. In the event that such a company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the principal amount of the GA Investment Funds' debt investment may be at significant risk, and the value of any equity portion of the GA Investment Funds' investment in such company may be significantly reduced or eliminated.

Subject to certain limitations, the GA Investment Funds may borrow money, purchase margin securities, pledge their assets, guarantee or become sureties for the obligations of others and indemnify lenders and third parties in connection with any such borrowings or other such transactions. Such borrowings may include, without limitation, a credit facility entered into by a GA Investment Fund for purposes of providing interim financing to such GA Investment Fund to consummate the funding of investments (and the costs and expenses associated therewith) prior to the call for capital contributions with respect to such investments. In addition, there may be (i) circumstances in which a GA Investment Fund purchases margin securities, pledges its assets or guarantees the obligations of a Portfolio Company and (ii) unique or strategic investment opportunities in which a GA Investment Fund incurs permanent leverage with respect to an investment in a Portfolio Company by borrowing amounts from a lender to invest in a Portfolio Company with the intention of repaying such borrowing from the gains associated with such investment or capital called from the investors. In the event that a GA Investment Fund incurs such permanent leverage and the gains associated with such an investment are insufficient to repay the amounts borrowed from the lender, then GA LLC may be obligated to call capital from the investors who participated in such investment in order to repay amounts owed to the lender. With respect to credit facilities entered into by a GA Investment Fund, a lender may impose specific restrictions as a condition to borrowing and charge facility fees including up front structuring fees and ongoing commitment fees (including fees on amounts undrawn on the facility) in addition to the traditional interest expense on amounts borrowed. A credit facility may also involve a lien on a GA Investment Fund's assets.

**Illiquidity of Investments.** Many of the GA Investment Funds' investments are expected to be illiquid, and there can be no assurance that the GA Investment Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. Additionally, the GA Investment Funds may acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act of 1933, as amended. There can be no assurance that private purchasers can be found for the GA Investment Funds' investments.

**Litigation Risks.** The Portfolio Companies are subject to a variety of litigation risks, particularly in consequence of the likelihood that one or more Portfolio Companies will face financial or other difficulties during the term of the GA Investment Funds' investment. For example, the GA Investment Funds may participate in Portfolio Company financings at implicit Portfolio Company valuations lower than the valuations implicit in preceding rounds of

financing. In the event of a dispute arising from such transaction (or other activities relating to the operation of the GA Investment Funds), it is possible that members of GA LLC and the investment professionals of GASC and its subsidiaries serving on the board of directors of Portfolio Companies may be named as defendants. Under most circumstances, the GA Investment Funds will indemnify the GA General Partners and their affiliates and GASC's investment professionals for any costs they may incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect the GA Investment Funds in a variety of ways, including by distracting GASC and harming relationships with the Portfolio Companies or other investors in such Portfolio Companies.

The GA Investment Funds from time to time invest in public companies or in private companies that become public companies. In these circumstances, investment professionals of GASC serving on the boards of directors of such companies may be subject to litigation for violations of securities laws or for other claims typically brought against directors of public companies. To the extent that there is insufficient insurance coverage and such directors are liable for damages, the GA Investment Funds or their investors may have indemnification obligations. In addition, the GA Investment Funds and their investors may be required to contribute to litigation settlements.

**Public Companies.** A portion of the GA Investment Funds' investments may involve investments in public companies or taking private Portfolio Companies public. Investments in public companies may subject the GA Investment Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the GA Investment Funds to dispose of such securities at certain times (including due to the possession by GASC or its affiliates of material non-public information), increased likelihood of shareholder litigation against the companies' board members, which may include GASC's personnel, regulatory action by the U.S. Securities and Exchange Commission or foreign regulatory bodies and increased costs associated with each of these risks.

**Private Securities.** Most of the GA Investment Funds' investments are expected to involve private securities. In connection with an investment in private securities, the GA Investment Funds may assume, or acquire, a Portfolio Company subject to contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations or environmental actions, among other things.

**Real Estate Investments.** Although it is not an investment strategy of GASC to make investments in real estate assets or businesses, such investments may be made from time to time. These investments, if any, are expected primarily to involve operating businesses with real estate components, including significant investments in real estate assets as a result of the restructuring of operating businesses, and the restructuring or formation of real estate investment trusts. Real estate investments by their nature involve certain risks, including risks normally associated with general or local market conditions, environmental risks, risks relating to the high illiquidity of such investments resulting from among other things intense competition for purchasers and tenants, and risks related to the cyclical nature of the real estate market.

**Early Stage Companies.** Although not a focus of GASC, the GA Investment Funds may, from time to time, invest in early stage companies. Significant risks are associated with investments in companies in an early stage of development or with little or no variations in operating results from period to period and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position.

**Valuation.** GASC is responsible for valuing the assets of the GA Investment Funds, *i.e.*, the Portfolio Companies. Such valuation will affect reported Limited Partner performance and the Service Fees payable by Limited Partners. GASC performs its valuation of Portfolio Companies pursuant to written guidelines, which generally involve current market price information. However, there may be investments as to which current or reliable market price information may be unavailable, and consequently, GASC may use its discretion to determine the appropriate means of valuation. There can be no assurance that the value assigned to an investment at a certain time will equal the value that an investor is ultimately able to realize.

**Transactions with Portfolio Companies.** From time to time GASC receives business services from Portfolio Companies. Such transactions are negotiated at arms' length. Historically, GASC has not received reduced or discounted fees in connection with such transactions, but may in the future. Such services may or may not relate to the GA Investment Funds.

## **Item 9. Disciplinary Information**

GASC and its management persons have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's or a prospective client's evaluation of GASC's advisory business or the integrity of GASC or its management persons.

## **Item 10. Other Financial Industry Activities and Affiliations**

The GA General Partners and certain of GASC's Managing Directors manage and control the GA Investment Funds, GAIP I, GAIP 2013 and the Sponsor Coinvestment Funds. GASC's Form ADV Part 1 identifies the existing GA Investment Funds and other private funds managed by GASC.

GASC's Form ADV Part 1 identifies the existing GA General Partners, each of which is under common control with GASC, as well as other entities under common control with GASC that are "relying advisers" of GASC.

Effective April 2, 2013, General Atlantic Limited, a wholly owned subsidiary of GASC, became authorised with the Financial Conduct Authority in the United Kingdom.

Effective August 26, 2013, General Atlantic Singapore Management Pte. Ltd., a wholly owned subsidiary of GASC, was issued a Capital Markets License by the Monetary Authority of Singapore to provide investment management services.

Certain members or employees of GASC or its subsidiaries may serve as directors of Portfolio Companies and receive directors' fees in the form of cash compensation and/or equity incentives.

Except in unusual circumstances, members or employees of GASC or its subsidiaries typically do not receive directors' fees when serving on the boards of private companies. With respect to investments in new Portfolio Companies made after the first quarter of 2011, 100% of such fees and compensation paid to GASC, GA LLC or any of their respective members, managers, officers or employees, net of any related expenses, are applied to reduce the Service Fees otherwise payable to GASC.

None of GASC, GA LLC, the GA General Partners, the GA Investment Funds or any of their affiliates have relationships or arrangements with financial industry participants that are material to GASC's investment advisory or management services.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics/Insider Trading**

GASC and its subsidiaries have adopted a written Code of Ethics (the "**Code**") designed to address and avoid potential conflicts of interest as required under Rule 204A-1 (the "**Rule**") of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**").

GASC's Code requires, among other things, that employees:

- Act with integrity, competence, dignity, and in an ethical manner when dealing with the public, investors, prospective investors, investment prospects, their employer, and their fellow employees;
- Place the interests of investors and the interests of GASC ahead of the employee's own personal interests;
- Adhere to the fundamental standard that an employee should not take inappropriate advantage of his or her position;
- Adhere to the highest standards with respect to any actual or potential conflict of interest;
- Conduct all personal securities transactions in full compliance with the Code;
- Act in a dignified manner and not engage in risky activity or improper behavior; and
- Comply with applicable provisions of the federal securities laws.

The Code also requires employees to send broker account statements or otherwise report personal securities transactions on at least a quarterly (or more frequent) basis and provide GASC with a summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest. A copy of the Code will be provided to any Limited Partner or prospective Limited Partner upon request. A copy of the Code is also provided to the Sponsor Coinvestment Funds upon request.

## **Participation or Interest in Client Transaction**

The Sponsor Coinvestment Funds buy or sell securities that GASC also recommends to the GA Investment Funds. The Sponsor Coinvestment Funds invest side-by-side with, and on the same terms and conditions as, the GA Investment Funds, except that the Sponsor Coinvestment Funds do not make any performance-based allocation to the GA General Partners and the Sponsor Coinvestors in the Sponsor Coinvestment Funds do not pay Service Fees to GASC or Broker-Dealer Expenses. See also “Item 6. Performance-Based Fees and Side-by-Side Management” for a discussion of the potential conflicts of interest and how they are addressed with respect to investments made by the Sponsor Coinvestment Funds. In addition, individuals associated with Limited Partners or Pooled Account Investors who also have a professional and/or strategic relationship with GASC may also participate in the Sponsor Coinvestment Funds.

GASC may elect to waive all or a portion of the Service Fees otherwise payable by a Limited Partner and such waived amount is invested in Portfolio Companies by the Limited Partners for the benefit of GA MPI. Generally, upon disposition of a Portfolio Company, GA MPI will, subject to available proceeds, receive a return of the invested amounts with respect to such Portfolio Company and, subject to available profits, receive distributions related to such invested amounts. As a result, GA MPI may receive a return from a Portfolio Company investment that exceeds the Service Fees waived by GASC. GASC may elect to suspend the MPI Program with respect to any calendar year or on a permanent basis.

## **Transactions with Investors**

GASC and/or its subsidiaries may utilize research or custodial services from providers that are affiliated with Limited Partners or Pooled Account Investors. In all such instances, these service agreements are negotiated at arms’ length and GASC does not receive reduced or discounted fees and fee arrangements.

Managing Directors of GASC may serve on the boards or committees of institutions of higher education that are affiliated with Limited Partners or Pooled Account Investors. In all such instances, the investment in the GA Investment Funds of the affiliated Limited Partner or Pooled Account Investor is made on the same terms applicable to other Limited Partners.

## **Affiliate Transactions**

From time to time, GASC receives business services from Portfolio Companies. Such transactions are generally negotiated at arms’ length. Historically, GASC has not received reduced or discounted fees in connection with such transactions, but may in the future. Such services may or may not relate to the GA Investment Funds.

## **Personal Investments**

Pursuant to the Commitment Agreements, GA LLC has agreed that neither it, any of its Managing Directors nor any affiliate of GA LLC may make, directly or indirectly, (a) during each Limited Partner’s commitment period, any investment (i) in any Portfolio Company, (ii) in any person who has been identified by GASC or its subsidiaries to be a potential person in which

a GA Investment Fund may make an investment or (iii) on a national or global basis in (x) companies with growth characteristics whose growth is or will be driven by attractive market or industry characteristics, regional and/or global expansion, acquisitions, superior management, technology, financial resources and/or access to key clients, customers, decision makers or experts and (y) companies driven by information technology or intellectual property, and who also satisfy GA LLC's Investment Committee criteria as a potential investment by a GA Investment Fund, except for (i) Personal Investments (as described below) in persons other than Portfolio Companies and (ii) investments by the Sponsor Coinvestment Funds side-by-side with, and on the same terms and conditions as, the GA Investment Funds or (b) for as long as any GA Investment Fund holds an investment in a Portfolio Company, any investment in such Portfolio Company except for investments by the Sponsor Coinvestment Funds side-by-side with, and on the same terms and conditions as, the GA Investment Funds.

Pursuant to the Commitment Agreements, "**Personal Investments**" constitute the following: (i) a passive investment by GA LLC or any affiliate of GA LLC in securities of a person that are publicly traded, so long as the aggregate investment in such person by GA LLC and affiliates of GA LLC does not exceed 5% of the outstanding securities of such class of securities of such person, (ii) an investment by GA LLC or an affiliate of GA LLC in any person if (x) the aggregate equity investment by GA LLC and affiliates of GA LLC in such person is not greater than \$10 million, (y) such investment is passive and (z) such investment is not an investment in a person by any Sponsor Coinvestment Fund side-by-side with, and on the same terms and conditions as, the GA Investment Funds or (iii) a passive investment by a managing director of GA LLC or by an affiliate of GA LLC in his or her individual capacity in a class of securities of a person that is publicly traded or in a mutual fund, hedge fund or private equity fund, whether or not publicly traded, if the aggregate amount of such investment does not exceed at any time 2% of the outstanding securities of such class of securities of such person.

Consequently, members and employees of GASC and its subsidiaries from time to time individually make and hold Personal Investments and members and employees of GASC and its subsidiaries from time to time, together with other members or employees of GASC and its subsidiaries, make and hold investments in private investment funds (other than the Sponsor Coinvestment Funds), including investment funds that are affiliated with GASC or such members and employees, that make and hold investments that are Personal Investments.

## **Item 12. Brokerage Practices**

### **Selecting or Recommending Broker-Dealers**

#### *Best Execution*

GASC's principal objective in selecting broker-dealers and entering trades is to obtain best execution for client transactions. GASC recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. To consider all of these factors, GASC will follow a process in an attempt to ensure that its employees are seeking to obtain the most favorable execution under the prevailing circumstances. GASC will evaluate the quality and cost of services received from broker-dealers on a periodic and systematic basis. In an effort to ensure that it is seeking to obtain the most favorable execution when placing trades on behalf

of its clients, GASC will consider all of these factors. GASC may not always select a broker-dealer based on the best price, but may take a variety of factors into account, including market capitalization, whether the broker has international or local presence or its perceived ability to sell the stock easily. When necessary, GASC will address all conflicts of interests by disclosure or other appropriate action. GASC does not consider, in selecting or recommending broker-dealers, whether GASC or a related person receives client referrals from a broker-dealer or third party.

#### *Research and Other Soft Dollar Benefits*

GASC executes its investment transactions through various investment banks. As a client of such investment banks, GASC receives certain industry-standard research reports at no cost. GASC does not formally commit to invest any particular level of commissions to brokers who provide research services. Research work product may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, participation in broker-dealer sponsored research and capital introduction conferences and other services providing lawful and appropriate assistance to GASC in the performance of its investment advisory and management services. GASC does not consider, in selecting or recommending investment bankers or in executing client transactions, whether GASC or a related person receives additional benefits from an investment bank or third party.

#### **Trade Aggregation**

The Sponsor Coinvestment Funds buy or sell securities of Portfolio Companies that GASC also recommends to the GA Investment Funds. The GA Investment Funds and Sponsor Coinvestment Funds invest side-by-side and on the same terms and conditions, except that, as noted above, the Sponsor Coinvestment Funds do not pay any performance-based allocation to the GA General Partners and the investors in the Sponsor Coinvestment Funds do not pay Service Fees to GASC or Broker-Dealer Expenses.

At the time public portfolio securities are sold, an investor in a Sponsor Coinvestment Fund may request such Sponsor Coinvestment Fund to make a distribution of such investor's allocable share of the Portfolio Company securities being sold (in lieu of their sale for cash) so that the Sponsor Coinvestor can contribute such securities to a charity or charitable foundation. To the extent that such charity or charitable foundation sells such securities after the GA Investment Funds, the charity or charitable foundation may receive a different price for its securities than the price received for the securities sold by the GA Investment Funds.

### **Item 13. Review of Accounts**

The accounts of each Limited Partner and each Sponsor Coinvestment Fund are maintained and supervised by investment professionals who are members or employees of GASC or its subsidiaries. Potential portfolio company investments are reviewed semi-monthly or more frequently, if necessary, by GA LLC's Investment Committee. In addition, Portfolio Company investments are reviewed monthly by GA LLC's Portfolio Committee.

Each Limited Partner and Pooled Account Investor is provided semi-annual reports by March 31 and September 30 of each year. Such reports include (i) an update on the status and financial condition as of the end of the preceding fiscal reporting period of the portfolio investments in which the Limited Partner or Pooled Account Investor has participated through its direct or indirect interest in the GA Investment Funds and (ii) a valuation summary that lists the portfolio investments in which the Limited Partner or Pooled Account Investor has participated and the fair market value of each such portfolio investment as of the preceding semi-annual valuation date.

Within 120 days of the end of each fiscal year of a GA Investment Fund, GASC provides each Limited Partner participating in such GA Investment Fund the audited financial statements of such GA Investment Fund for the previous fiscal year (which audited financial statements may be presented on a combined basis). Included in such audited financial statements are statements of changes in the Limited Partner's capital account balances for such fiscal year. The audited financial statements are prepared in accordance with accounting principles generally accepted in the U.S.

Within 120 days of the end of each fiscal year of a Pooled Managed Account, such Pooled Managed Account provides its Pooled Account Investors the audited financial statements of such Pooled Managed Account for the previous fiscal year. Included in such audited financial statements are statements of changes in each Pooled Account Investor's capital account balances for such fiscal year. The audited financial statements are prepared in accordance with accounting principles generally accepted in the U.S.

Within 120 days of the end of each fiscal year of a Sponsor Coinvestment Fund, such Sponsor Coinvestment Fund provides its Sponsor Coinvestors the audited financial statements of such Sponsor Coinvestment Fund for the previous fiscal year (which audited financial statements are presented on a combined basis). The audited financial statements are prepared in accordance with generally accepted accounting principles.

Each Limited Partner, Pooled Account Investor and Sponsor Coinvestor receives by April 30 of each year, or as soon as available, a relevant K-1 tax form.

## **Item 14. Client Referrals and Other Compensation**

GASC and its affiliates may infrequently receive from Portfolio Companies or prospective Portfolio Companies breakup fees, monitoring fees, transaction fees and other similar fees, and Managing Directors of GASC and its subsidiaries may receive compensation from Portfolio Companies due to employees serving on the boards of directors of such Portfolio Companies. With respect to investments in Portfolio Companies made after the first quarter of 2011, 100% of such fees and compensation paid to GASC, GA LLC or any of their respective members, managers, officers or employees, net of any related expenses, are applied to reduce the Service Fees otherwise payable to GASC.

GASC and/or its affiliates may from time to time enter into arrangements with persons to provide services that include the introduction to GASC of potential Limited Partners. Such



arrangements provide for a flat retainer, which compensation will be paid regardless of whether any potential investor introduced by such person decides to invest with GASC.

## **Item 15. Custody**

Securities of the GA Investment Funds and the Sponsor Coinvestment Funds are held in custody by unaffiliated broker-dealers or banks; however, GASC has access to client accounts because its affiliates serve as the GA General Partners. The Limited Partners, Pooled Account Investors and Sponsor Coinvestors do not receive statements from the custodian. Instead, the GA Investment Funds and the Sponsor Coinvestment Funds are subject to an annual audit. See Item 13. “Review of Accounts”.

## **Item 16. Investment Discretion**

GASC, GA LLC and the GA General Partners, collectively, have complete discretionary authority with regard to the acquisition and disposition of investments, without obtaining specific consent from investors.

GASC provides investment advisory and management services to the Limited Partners of the GA Investment Funds, the Pooled Managed Accounts and the Sponsor Coinvestment Funds.

The services provided by GASC include (i) assistance in connection with the identification, investigation and analysis of potential investments and the management and disposition of investments, (ii) administrative and accounting services, and (iii) such other services as may from time to time be required in connection with the management of the assets of the Limited Partners, the Pooled Managed Accounts and the Sponsor Coinvestment Funds.

The investment, disposition, voting and other decisions of the GA Investment Funds with respect to the Portfolio Companies are the responsibilities of and made by the applicable GA General Partners, each of which is an affiliate of GASC. The Sponsor Coinvestment Funds make the same investment, disposition, voting and other decisions with respect to Portfolio Companies as the GA Investment Funds.

GASC and the GA General Partners are authorized, without the approval of the Limited Partners, to enter into side letters or similar written agreements with a Limited Partner or a Pooled Account Investor that have the effect of establishing rights or obligations under, or supplementing the terms of, the Commitment Agreement (or, with respect to a Pooled Account Investor, the partnership agreement of the applicable Pooled Managed Account). Rights and obligations that may be established and terms that may be established or supplemented include, without limitation, rights and terms relating to greater information reporting, the right of an investor to opt out of investments in Portfolio Companies that such investor may be prohibited by law, regulation or internal policy from holding as a result of the primary business conducted by such Portfolio Company (for example, companies engaged in the business of producing alcohol, tobacco products and firearms or military related equipment or services) and the obligation of GA LLC to minimize certain adverse tax consequences to an investor in connection with the structuring of investments in Portfolio Companies.

## **Item 17. Voting Client Securities**

GASC does not have the authority to vote securities held by the GA Investment Funds or the Sponsor Coinvestment Funds. Such authority to vote the proxies is held by the GA General Partners and the general partners or managing members of the Sponsor Coinvestment Funds. GASC has developed written policy and procedures governing proxies to which all GA General Partners must adhere. In general, the policy requires the GA General Partners to vote proxies in the interest of maximizing shareholder value. To that end, the GA General Partners vote in a way that they believe, consistent with their fiduciary duties, will cause the value of the issuer to increase the most or decline the least. Consideration is given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. GASC maintains a record of all proxy votes cast on behalf of the Limited Partners. The Limited Partners may contact GASC for a copy of its policy and procedures or information with respect to a specific proxy vote.

The Sponsor Coinvestment Funds vote their Portfolio Company securities in compliance with the same policy and procedures that the GA General Partners comply with when voting the securities held by the GA Investment Funds. The Sponsor Coinvestment Funds make the same voting decisions with respect to Portfolio Companies as the GA Investment Funds.

## **Item 18. Financial Information**

GASC has never filed for bankruptcy and is not aware of any financial condition that is expected to adversely affect its ability to manage client accounts.