

**ITEM 1: COVER PAGE**



CCMP Capital Advisors, LLC ("CCMP Capital")

Form ADV, Part 2A  
(the "Brochure")

March 25, 2015  
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This Brochure provides information about the qualifications and business practices of CCMP Capital. If you have any questions about the contents of this Brochure, please contact us at (212) 600-9689 or [Investor.relations@ccmpcapital.com](mailto:Investor.relations@ccmpcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about CCMP Capital also is available on the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

CCMP Capital may refer to itself as a "registered investment adviser." You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

## ITEM 2: MATERIAL CHANGES

This Item 2 discusses only material changes since CCMP Capital filed its most recent annual updating amendment to Part 2A of its Form ADV on March 31, 2014. Since that filing, the following changes have occurred to CCMP Capital's business or related entities that affect CCMP Capital's business.

1. CCMP Capital Investors III, L.P. ("CCMP III"), is now closed to new commitments.

2. While it was contemplated that CCMP III would make distressed investments by way of co-investing with a distressed fund sponsored by Octagon Credit Opportunities, LLC ("OCO"), a CCMP affiliate, fundraising for such distressed fund is no longer contemplated at this time. As a result, references to a distressed fund and co-investing with a distressed fund have been removed from this Brochure.

3. CCMP III may continue its strategy of making distressed debt investments directly. It is anticipated that OCO will assist CCMP Capital in investment activities with respect to distressed investments by CCMP III.

**Accordingly, this updated Brochure includes the following changes, among others, that recipients should consider:**

- Items 5 and 11 have been revised to provide additional information regarding certain fees, expenses and offsets as well as certain activities of Executive Advisors (as defined in the Brochure) of CCMP Capital.
- The description of OCO in Item 10 has been revised to discuss services expected to be rendered by OCO as a sub-advisor to a multi-strategy fund sponsored and advised by Octagon Credit Investors, LLC, an affiliate of CCMP Capital. Item 10 also notes that a member of CCMP Capital's investment committee may serve on one or more committees of such multi-strategy fund.
- Item 12 has been revised to include a discussion of CCMP Capital's trading practices with respect to distressed investments made by CCMP III.

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## ITEM 4: ADVISORY BUSINESS

### *Firm Overview*

CCMP Capital Advisors, LLC (“CCMP Capital”) is a private equity firm that provides discretionary investment management services to pooled investment vehicles in accordance with the investment objectives, strategies and guidelines set forth in the relevant offering documents and partnership agreements for each respective pooled investment vehicle. CCMP Capital advises pooled investment vehicles for which affiliates of CCMP Capital serve as the general partner (the “CCMP Advised Funds”). In addition, CCMP Capital sub-advises another investment adviser and funds sponsored by that adviser (the “CCMP Sub-Advised Funds” and, together with those funds’ investment adviser and the CCMP Advised Funds, the “CCMP Clients”), as described in more detail below. To the extent that this Brochure discusses investment activities engaged in by CCMP Capital, such activities are undertaken by CCMP Capital as an investment adviser to the CCMP Clients and not for CCMP Capital’s own account.

CCMP Capital’s primary investment activity is making equity investments in privately owned companies, or making equity investments in publicly owned companies in connection with taking them private. CCMP Capital may also make private investments in public companies (“PIPE” transactions). The firm’s typical investment ranges from \$100 million to \$500 million, in companies valued at \$500 million to more than \$2 billion, although the firm may cause clients to invest outside of these ranges.

CCMP Capital focuses on buyout and growth equity investments in North America and Europe, primarily as the lead investor in companies in four targeted industry sectors: (1) consumer/retail; (2) industrial; (3) energy; and (4) healthcare. Companies in which an investment is made through a pooled investment vehicle are known as “portfolio companies”.

As a private equity firm, CCMP Capital seeks to create value in its portfolio companies by working with management to implement operational enhancements and efficiencies. While CCMP Capital primarily seeks to make control investments, on occasion it may make a minority investment where it can exert a significant influence on management or secure appropriate corporate governance and other shareholder protections. After a period of time, typically several years, CCMP Capital seeks to sell the portfolio company privately or take the portfolio company public and dispose of its shares in the public markets. On occasion, CCMP Capital may cause a CCMP Client to hedge currency risk or exposure, but will not enter into other derivative or hedging transactions or engage in short selling.

Additionally, one CCMP Client, CCMP Capital Investors III, L.P. (“CCMP III”) may make distressed debt investments (“Distressed Investments”), generally in contemplation of taking a meaningful minority or control equity position in a distressed company so as to be in a position to directly influence a restructuring such that holders emerge from the restructuring in control of such company’s equity, by making direct investments in

distressed investment opportunities which meet the investment objectives of CCMP III and subject to the limitations set forth in the partnership agreement for such fund. Octagon Credit Opportunities, LLC (“OCO”), an investment adviser affiliate of CCMP Capital which focuses on distressed debt investments, assists CCMP Capital in the investment activities of CCMP III with respect to Distressed Investments. The risks and conflicts related to investing in Distressed Investments are discussed in greater detail throughout this Brochure and in the private placement memorandum for CCMP III.

CCMP Capital was formed in August 2006 by investment professionals who had previously managed the buyout and growth equity investment portfolio of J.P. Morgan Partners, LLC (“J.P. Morgan Partners”). Pursuant to one or more investment sub-advisory agreements with J.P. Morgan Partners and certain of its affiliates (referred to collectively as the “JPMP Sub-Advisory Agreement”), CCMP Capital continues to provide investment advisory services to the CCMP Sub-Advised Funds. Under the JPMP Sub-Advisory Agreement, investment discretion over portfolio companies in pooled investment vehicles managed by J.P. Morgan Partners, or in which affiliates of J.P. Morgan Partners have invested directly, remains with J.P. Morgan Partners and its affiliates, except in limited circumstances. As a result, the assets under CCMP Capital’s management through the JPMP Sub-Advisory Agreement are considered non-discretionary. The CCMP Sub-Advised Funds are, in each case, closed to new commitments and past the period in which they are permitted to acquire new portfolio companies under the terms of their organizational documents. As a result, CCMP Capital’s sub-advisory services focus on maximizing the value of the existing portfolio companies in these pooled investment vehicles and managing them to a disposition and realization.

Investments for CCMP Clients are managed in accordance with the pooled investment vehicle’s particular investment objectives, strategies and guidelines and are not tailored to the individualized needs of any particular investor in the CCMP Client. Information about each CCMP Client, and the particular investment objectives, strategies, guidelines and risks associated with an investment in a CCMP Client, is described in the governing documents, including the private placement memorandum (“PPM”) and limited partnership agreement of each CCMP Client, which are made available to investors only through CCMP Capital or another authorized party. Since CCMP Capital does not provide individualized advice to investors in any CCMP Client (and an investment in a CCMP Client does not, in and of itself, create an advisory relationship between the investor and CCMP Capital), investors must consider for themselves whether an investment in a particular CCMP Client meets their investment objectives and risk tolerance prior to investing.

CCMP Capital’s total regulatory assets under management as of December 31, 2014, was approximately \$6,943,961,000, representing approximately \$6,141,810,000 in discretionary regulatory assets under management and approximately \$802,150,000 in non-discretionary regulatory assets under management.

CCMP Capital, LLC is the sole member of CCMP Capital. Certain principals of CCMP Capital, LLC own CCMP Capital, LLC, but none owns 25% or more of the interests of CCMP Capital, LLC.

## **ITEM 5: FEES AND COMPENSATION**

### ***Compensation***

CCMP Capital receives various fees from CCMP Advised Funds that are negotiated at the time of formation of a CCMP Advised Fund. Details of these fees are described in a CCMP Advised Fund's PPM and limited partnership agreement. CCMP Capital and/or its affiliates generally will earn the following compensation from a CCMP Advised Fund: (1) during the initial investment period, a management fee equal to a percentage of the aggregate capital commitments in the CCMP Advised Fund and, thereafter, a management fee equal to a percentage of invested capital minus distributions constituting the cost basis return of capital (and minus, in some cases, any realized losses or write-downs); in each case as may be offset by certain credits that may apply as described below; and (2) performance-based compensation that is calculated based upon a percentage of the CCMP Advised Fund's return on its invested capital. For an additional discussion regarding performance-based compensation, please refer to Item 6 – *Performance-Based Fees and Side-by-Side Management*.

Fees and other economic terms for investments in CCMP Advised Funds made by CCMP Capital employees, former employees, its Executive Advisors (as defined in Item 8 – *Methods of Analysis, Investment Strategies and Risk of Loss*), and, in the discretion of the general partner of the applicable CCMP Advised Fund, certain other persons associated with CCMP Capital or its affiliates, will generally differ from the fees and other economic terms applicable to other investors in such CCMP Advised Fund, as a result of waived or reduced management fees and carried interest. In addition, as determined by CCMP Capital in its discretion in connection with the organization of a CCMP Advised Fund, a reduced management fee has been applied in respect of one or more other investors in such CCMP Advised Fund, as set forth in the offering documents in respect of such CCMP Advised Fund. In addition, at the discretion of the general partner of a CCMP Advised Fund, certain investors may enter into side letter agreements with the general partner and/or form co-investment or other vehicles set up by the general partner which may provide for different terms and conditions than those set forth in the limited partnership agreement for the CCMP Advised Fund including, but not limited to, reduced fees.

CCMP Capital also receives investment management fees from J.P. Morgan Partners and its affiliates under the JPMP Sub-Advisory Agreement.

### ***Other Fees and Expenses***

Clients of CCMP Capital (including, indirectly, investors in a CCMP Client) will bear certain other fees, expenses and costs (in addition to CCMP Capital's management fee and performance-based compensation described above, as applicable) related to the

operations of a CCMP Client, as set forth in the applicable limited partnership agreement for each CCMP Client. Such fees, expenses and costs are generally incidental or related to the organization and maintenance of the CCMP Client (including, in some cases, feeder vehicles to the CCMP Client) or the buying, selling and holding of investments, including, but not necessarily limited to: (1) accounting, audit, legal, consulting, custody and other out-of-pocket fees, costs and expenses relating to the actual or proposed acquisition (whether or not the transaction is consummated), holding or disposition of securities (including, without limitation, travel expenses, broken deal expenses, investment banking fees, brokerage and underwriting fees, commissions, hedging and custody costs and other related transactions costs and expenses charged to a CCMP Client); (2) fees and expenses of third party appraisers and valuation experts; (3) all expenses relating to investigating, acquiring, monitoring, distributing and disposing of investments, including but not limited to travel and other out of pocket expenses; (4) indemnification amounts payable to persons entitled to indemnification; (5) reimbursement of certain out of pocket expenses under a CCMP Client's partnership agreement (including out-of-pocket expenses of members of a CCMP Client's Advisory Committee, as described below); (6) all taxes imposed on a CCMP Client and all litigation expenses (and any judgments or settlements paid in connection therewith) and other extraordinary expenses; (7) the costs of forming and maintaining any blocker corporation, alternative investment vehicle or any other pooled investment vehicle through which to invest in or alongside (on a parallel basis) the CCMP Client (e.g., feeder funds, offshore funds and funds established for CCMP Capital employees and former employees); (8) insurance costs; (9) interest, commitment fees and other costs and expenses payable in connection with credit facilities made available to a CCMP Client; (10) the reasonable out-of-pocket expenses of the members of any advisory committee of limited partners of a CCMP Client or of any advisory council or investment committee formed to advise a CCMP Client with respect to existing investments and opportunities, in each case in connection with their services, including but not limited to, travel expenses in connection with attendance at Advisory Committee meetings; (11) the costs of the annual meetings of the general partner and limited partners of a CCMP Client; (12) fees of outside auditors and the costs of preparation of the books and records of a CCMP Client, including periodic reports to limited partners, and fund administration service provider expenses; (13) costs of liquidation and termination of a CCMP Client; and (14) all other costs incurred in connection with the administration of a CCMP Client (including in connection with any waiver, consent or approval under, or amendment of, the partnership agreement of such CCMP Client) or otherwise that may be authorized by a partnership agreement or approved by a majority in interest of the limited partners or an advisory committee. Expenses relating to the making, holding or disposition of an investment may be shared with a co-investor, as and when appropriate. As set forth in the relevant CCMP Clients' governing documents, certain expenses borne by a CCMP Client may be subject to an agreed-upon cap (e.g., organizational expenses) and certain types of fees and expenses (e.g., organizational expenses (to the extent they exceed any applicable cap) and placement fees) may be paid by the CCMP Client in the first instance but borne by CCMP Capital through management fee offsets.

As described below in Item 8 – *Methods of Analysis, Investment Strategies and Risk of Loss*, on an investment by investment basis, CCMP Capital has offered in the past, and

may, but is not obligated to offer in the future, co-investment opportunities to limited partners and/or third parties which it may select in its sole discretion, for investments in a portfolio company either directly or through the formation of one or more co-investment vehicles. Certain co-investors have in the past paid, and may pay in the future, no or reduced management fees and expenses, including management fees, carried interest and other fees and expenses generally borne by Fund investors. Such co-investment vehicles or other prospective co-investors generally evaluate a potential co-investment alongside an investment or prospective investment to be made by a CCMP Advised Fund. If the potential prospective investment is not consummated, the full amount of any expenses relating to such unconsummated co-investment may be borne entirely by the CCMP Advised Fund making or proposing to make such investment, rather than the co-investment vehicle or other prospective co-investor. With respect to co-investment vehicles, any fees to be received by CCMP Capital are generally negotiated on a vehicle-by-vehicle basis, but may include asset-based fees. In addition, co-investment vehicles generally will be responsible for administrative and other expenses similar to those described in the preceding paragraph.

In certain cases, CCMP Capital (or its affiliates or employees) receives compensation for providing managerial and other services to certain portfolio companies of the CCMP Advised Funds, as well as other compensation and/or fees from portfolio companies, previous portfolio companies or potential portfolio companies, which may include, but not be limited to, transaction fees, acquisition and disposition fees, monitoring fees, directors' fees, break-up fees, management consulting fees, advisory fees and other fees (all such compensation from portfolio companies, previous portfolio companies or potential portfolio companies, collectively "Other Fees"). These Other Fees may be substantial and are generally not negotiated on an arms' length basis. Although Other Fees are in addition to the management fees received by CCMP Capital from the CCMP Advised Funds, Other Fees generally result in offsets to such management fees paid to CCMP Capital. The specific amount and manner of such offset is generally set forth in the relevant CCMP Advised Fund's limited partnership agreement. There may be circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of such fees.

In connection with the managerial and other management services provided to certain portfolio companies in CCMP II, 100% of any Other Fees received by CCMP, its affiliates or employees is applied to any "broken deal" costs that CCMP II has incurred, and 80% of any remainder (to the extent allocable to limited partners not associated with CCMP Capital), is applied to offset management fees payable to CCMP Capital by the investors in CCMP II. The remaining 20% is retained by CCMP Capital. For CCMP III, 100% of Other Fees received by CCMP Capital, its affiliates or employees is applied to any broken deal costs that CCMP III has incurred, and 100% of any remainder (to the extent allocable to investors who are not associated with CCMP Capital) is applied to offset management fees payable to CCMP Capital. Arrangements for future funds may vary and will be set forth in the applicable governing documents of such funds.

Furthermore, a CCMP Advised Fund will, in most cases, only benefit from a fee offset with respect to its allocable portion of any Other Fees and not the portion of any Other Fee allocable to another entity (e.g., another CCMP Advised Fund that has invested or



proposed to invest alongside such CCMP Advised Fund in the applicable portfolio company or prospective portfolio company). Moreover, as certain CCMP Advised Funds do not pay management fees to CCMP Capital (e.g., employee parallel or feeder vehicles and/or certain co-investment vehicles formed for the purpose of investing alongside a CCMP Advised Fund in a single portfolio company), all or a portion of any such Other Fees which would otherwise be allocable to such vehicle will not benefit the investors in such fund.

Additionally, in certain instances, a portfolio company will reimburse CCMP Capital directly for certain expenses (including without limitation travel expenses, which may include expenses for chartered and privately owned planes, fares for business or first class travel, and meals and entertainment expenses) incurred by CCMP Capital in connection with its performance of services for such portfolio company in addition to the expenses borne by the applicable CCMP Advised Fund as set forth in the limited partnership agreement for such fund. Such reimbursements are not subject to a management fee offset described above.

CCMP Capital's receipt of Other Fees from portfolio companies of CCMP Advised Funds represents a potential conflict of interest particularly where CCMP Capital, through the CCMP Advised Funds' interest in the portfolio company, has or will have control or significant influence over such portfolio companies. This potential conflict of interest, however, is mitigated by the management fee offset provisions described above. For a discussion of potential material conflicts of interest created by the receipt of fees and reimbursements of expenses from portfolio companies, please see Item 11 below.

In addition, CCMP employees, on behalf of the CCMP Advised Funds, serve on the board of directors of certain portfolio companies and in certain cases receive in such capacity director fees or other compensation (including stock awards) from the portfolio companies. Such compensation results in an offset to the management fees paid to CCMP Capital as described in the applicable limited partnership agreement for such CCMP Advised Fund.

Unlike director fees and compensation received by CCMP employees described above, director fees and other compensation (including stock awards) paid to CCMP Capital's Executive Advisors (as defined in Item 8: *Methods of Analysis, Investment Strategies and Risk of Loss*), who are not employees of CCMP Capital but rather are engaged as consultants pursuant to a consulting agreement with CCMP Capital (or its UK affiliate, CCMP Capital Advisors (UK) II Limited) and receive compensation from CCMP (or CCMP Capital Advisors (UK) II Limited), may be retained by the Executive Advisor and are not subject to a management fee offset. In addition, reasonable out-of-pocket expenses incurred by the Executive Advisor for services related to a portfolio company may be reimbursed by the portfolio company or a CCMP Advised Fund to the Executive Advisor.

Furthermore, on occasion, an Executive Advisor may provide additional services to a portfolio company, or be hired either on a temporary or permanent basis as an employee or executive of, or consultant to, a portfolio company and in such capacity receive

compensation directly from such portfolio company. Such role may, but will not always, be concurrent with serving as an Executive Advisor to CCMP Capital.

For an additional discussion regarding brokerage fees, commissions and other related transactions costs and expenses, please refer to Item 12 – *Brokerage Practices*.

### ***Valuation of Portfolio Investments***

In certain cases, CCMP Capital's compensation may be reduced if CCMP Capital determines to write-down the value of a portfolio investment, creating a disincentive for CCMP Capital to do so. CCMP Capital's valuation policies for its portfolio investments serve to mitigate this conflict. CCMP Capital's valuation policies are consistent with ASC Topic 820, requiring that CCMP Capital assign a "fair value" to certain investments representing "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date." When there is not readily available market pricing information, CCMP Capital personnel assign a price based on various factors and inputs and take into account a variety of relevant pricing methodologies. Because fair value pricing requires the application of judgment to establish a good faith approximation of the value of an asset as of the measurement date at the time the valuation is performed, fair valuation will not necessarily reflect the actual or empirical value of any asset as might be determined with the benefit of hindsight. Thus, the fair value assigned to an asset may not match the next available and reliable market price or, in retrospect, have been the price that would have been paid had that asset actually been sold on the measurement date. CCMP Capital may discuss valuations related to Distressed Investments with OCO, as appropriate; however, CCMP Capital will make all final valuation determinations with respect to CCMP Client portfolio investments including any Distressed Investments. Although CCMP Capital is responsible for determining fair values for assets, these valuations are reviewed by the relevant CCMP Clients' independent auditors annually and, in the case of CCMP Advised Funds, by an independent valuation adviser semi-annually. In the case of CCMP Sub-Advised Funds, valuations are ultimately approved by JPMP in accordance with its valuation policies.

### ***Billing***

Investors in a CCMP Advised Fund bear the fund's fees and expenses. At or prior to the time that fees or expenses must be paid, the CCMP Advised Fund will either issue a "capital call" by which the investor is required to pay the required amount from its undrawn capital commitment to the CCMP Advised Fund, or, if sufficient cash is available in the CCMP Advised Fund and at the discretion of CCMP Capital or its affiliate serving as general partner of the CCMP Advised Fund, by reserving all or a portion of the available cash held by the CCMP Advised Fund, including cash that may have arisen from a realization. In some cases, a capital call may be wholly or partially offset by a concurrent distribution such that investors are distributed, or required to contribute, a net amount equal to the difference between the capital call and the distribution. Available cash, including cash from capital calls, remains in the fund as a fund asset until fees or expenses are paid.

Management fees are billed semiannually and are paid by the CCMP Advised Fund (which may be from the available cash discussed above) less than six months in advance. If a CCMP Advised Fund is dissolved before the end of a six-month period, management fees will be pro-rated based on the period the CCMP Advised Fund was operational, and CCMP Capital will return the excess amount. CCMP Capital also receives fees quarterly in advance from J.P. Morgan Partners under the JPMP Sub-Advisory Agreement.

In the event that an agreement for CCMP Capital's advisory services is terminated, any fees paid in advance may or may not be refundable, depending upon the circumstances of the termination and the terms of the advisory contract. If a refund is due, CCMP Capital will return the applicable amount to its client for distribution to the investors.

#### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

In addition to the compensation discussed in Item 5 – *Fees and Compensation*, CCMP Capital may receive performance-based compensation, generally through the payment of “carried interest” to an affiliate that serves as general partner to a CCMP Advised Fund. Any performance-based compensation will be paid in accordance with Section 205(3) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), or Rule 205-3 thereunder.

The existence of carried interest in a CCMP Advised Fund may create an incentive for CCMP Capital to make more speculative investments on behalf of CCMP Advised Funds than it would otherwise make in the absence of such performance-based compensation. However, this risk is mitigated to some extent since: (1) carried interest is based on the success of the CCMP Advised Fund as a whole and not any single investment and therefore CCMP Capital's total carried interest would be affected by any single unsuccessful investment and (2) CCMP Capital's management and other personnel have made significant personal capital commitments to the CCMP Advised Funds, and/or to investment vehicles that invest in the same securities at the same time and on the same terms as the CCMP Advised Fund. These reduce the incentive to take excessive risks with respect to particular portfolio investments by aligning CCMP Capital's and its personnel's financial interests with those of fund investors.

#### ***Performance-Based Compensation to Personnel and Affiliates of CCMP Capital May Create Differing Pecuniary Interests***

With respect to CCMP Advised Funds, an affiliate of CCMP Capital in its capacity as the general partner of the CCMP Advised Fund is eligible to receive carried interest, ultimately calculated based upon a percentage of the relevant CCMP Advised Fund's return on its invested capital across its entire portfolio. Certain of CCMP Capital's investment professionals and other personnel participate in the carried interest paid to the general partner of one or more CCMP Advised Funds as a result of their ownership (or other interest) in such general partners. In addition, certain personnel of Octagon may receive a small portion of the total carried interest from CCMP III.

With respect to CCMP Sub-Advised Funds, CCMP Capital does not receive any performance-based compensation; however, certain CCMP Capital investment professionals are, on an individual basis, eligible to receive performance-based compensation from one or more of the CCMP Sub-Advised Funds through their prior employment relationships with J.P. Morgan Partners or its affiliates.

OCO serves as a sub-adviser to a portion of the assets of a multi-strategy private fund managed by Octagon Credit Investors, LLC (“Octagon”), an affiliate of CCMP Capital (the “Octagon Multi-Strategy Fund”). As described in further detail in *Item 10: Other Financial Industry Activities and Affiliations*, CCMP Capital, together with Octagon, each owns significant interests in OCO. As a result of its interest in OCO, CCMP is an indirect recipient of the management fee and performance fee received by OCO in relation to the sub-advisory services OCO provides to the Octagon Multi-Strategy Fund.

Accordingly, CCMP Capital and its personnel, including personnel involved in the management of one or more CCMP Clients or clients of an affiliate may have differing pecuniary interests with respect to different CCMP Clients.

### ***Conflicts of Interest and Mitigants***

These differing pecuniary interests may create conflicts of interests with respect to the allocation of time, resources and investment opportunities, as CCMP Capital and its personnel may have an incentive to favor funds in which they have a greater pecuniary interest. However, CCMP Capital’s fiduciary obligations to act in the best interest of its clients, as well as its contractual obligations to CCMP Clients and to J.P. Morgan Partners and its affiliates under the JPMP Sub-Advisory Agreement that obligate CCMP Capital and its personnel to meet certain professional standards of care, mitigate potential conflicts of interest that may exist with respect to CCMP Capital’s allocation of time, resources and investment opportunities based on differing compensatory or pecuniary interests. These and other potential conflicts may also be addressed through Advisory Committees comprised of investors in a CCMP Client that are not affiliated with CCMP Capital. These Advisory Committees are established through the CCMP Clients’ governing documents and are authorized to act on behalf of the relevant CCMP Client for certain purposes under the Advisers Act and the relevant governing documents. In particular, Advisory Committee members may be called upon to review, and determine whether or not to approve or consent to, various transactions or other potential conflicts that may arise. The existence and use of an Advisory Committee may mitigate, but does not eliminate conflicts of interest.

The potential conflicts of interests among CCMP Clients with respect to side-by-side management of overlapping investments and the allocation of investment opportunities in circumstances where more than one CCMP Client is eligible (and has resources) to invest in a particular investment opportunity, and related mitigants, are described in more detail in *Item 10 - Other Financial Industry Activities and Affiliations*, below.

## ITEM 7: TYPES OF CLIENTS

As discussed in *Item 4 – Advisory Business*, CCMP Capital provides discretionary investment management services to CCMP Advised Funds, which are pooled investment vehicles exempt from registration under the Investment Company Act of 1940, as amended (the “Act”). CCMP Capital also provides advisory and management services to J.P. Morgan Partners and the pooled investment vehicles advised by J.P. Morgan Partners and its affiliates pursuant to the JPMP Sub-Advisory Agreement.

The terms and conditions of client accounts may vary depending on the type of services provided or the type of client, and these terms and conditions may also vary from client to client. Furthermore, CCMP Advised Funds generally impose investment minimums for investors, as described in more detail in the CCMP Advised Fund’s PPM. In certain circumstances, such investment minimums may be reduced. CCMP Capital may offer more favorable terms (*e.g.*, lower investment minimums, reduced or eliminated fees) to its personnel, related persons or others, in its discretion, including through dedicated vehicles that invest in or alongside a CCMP Client.

This Brochure may be provided to current or prospective investors in a CCMP Client, together with the CCMP Client’s PPM, organizational documents and other related documents, prior to or in connection with such person’s consideration or execution of an investment in the CCMP Client, and may subsequently be provided in CCMP Capital’s discretion or, annually, at the request of an investor in the CCMP Client. Investors and other recipients should be aware that while the Brochure may include information about a CCMP Client, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with the CCMP Client. More complete information about each CCMP Client is included in the CCMP Client’s PPM and other relevant organizational documents which are provided to investors only by CCMP Capital or another authorized party and should be reviewed in their entirety by an investor prior to making an investment in a CCMP Client.

**In no event should this Brochure be considered to be an offer of interests in a CCMP Client or relied upon in determining whether to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.** Rather, this Brochure is designed solely to provide information about CCMP Capital for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in a PPM or other relevant organizational documents. To the extent that there is any conflict between disclosures herein and similar or related disclosures in any PPM or other relevant organizational documents, the PPM and other relevant organizational documents shall govern.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### ***Methods of Analysis and Investment Strategies***

As discussed in Item 4 – *Advisory Business*, CCMP Capital’s primary investment activity is making equity investments in privately owned companies, or making investments in publicly owned companies in connection with taking them private. CCMP Capital may also make private investments in public companies (“PIPE” transactions). CCMP III may make Distressed Investments generally in contemplation of taking a meaningful minority or control equity position of a distressed company so as to be in a position to directly influence a restructuring such that holders emerge from the restructuring in control of such company’s equity. CCMP Capital may cause a client to hedge currency exposure. CCMP Capital does not engage in short selling. Although it is not a primary strategy, CCMP Capital may invest in other pooled investment vehicles where it has the right to “opt out” of investments that the pooled investment vehicle proposes to make. In these cases, the CCMP Client bears the expenses associated with such vehicles, provided that CCMP Capital reduces the management fees and carried interest payable by the CCMP Client to CCMP Capital by the amount of management fees and carried interest payable by the CCMP Client to such other pooled investment vehicle.

The foundation of CCMP Capital’s investment approach is to leverage its industry expertise and proprietary global network of relationships by focusing on four core industry sectors (consumer/retail; industrial; energy; and healthcare) to make private equity investments in buyout and growth equity transactions. CCMP Capital develops its own proprietary research in various subsectors of the four industry sectors, which leads to the development of discrete investment themes and proactive target investment identification. CCMP Capital also utilizes the internal research of various investment banking firms and other sources, and publicly available information in developing its investment themes. CCMP Capital performs extensive due diligence with the management of a potential portfolio company prior to investing, and, in connection with that review, routinely gains access to material, non-public information from the potential portfolio companies themselves and from other sources. CCMP Capital’s operating and growth initiatives for its portfolio companies benefit from CCMP Capital’s proprietary operating resources, which include full time senior personnel with Chief Executive or Chief Financial Officer experience at public companies, and additional seasoned executive advisors with extensive management experience who supplement CCMP’s operating expertise and resources (“Executive Advisors”). CCMP Capital’s investment strategy is primarily long term investment in privately held companies, however, it is possible that some investments may be held for less than a year.

CCMP Capital’s Investment Committee, comprised of senior members of CCMP Capital and its affiliate, CCMP Capital Advisors (UK) II Limited (“CCMP UK”), is ultimately responsible for making final investment decisions for the CCMP Advised Funds. OCO assists CCMP Capital in the investment activities of CCMP III with respect to Distressed Investments made by and held in CCMP III. Such assistance includes identifying, researching, sourcing, evaluating, performing due diligence on and monitoring Distressed

Investments. The ultimate responsibility for such investments, including the investment discretion to acquire or dispose of Distressed Investments in CCMP III, remains solely and exclusively with CCMP Capital's Investment Committee. For further information about Distressed Investments see "*Distressed Investments*", below.

CCMP Capital's investment methodology includes a risk identification and mitigation process through which CCMP Capital seeks to identify potential concerns within its focus sectors, prospective investments, current portfolio companies and the broader economy before they manifest themselves as larger unremediated problems within a CCMP Client's portfolio. CCMP Capital shares its risk management expertise across its portfolio, coordinating with management teams to fine tune their views of the risks specific to the businesses and take any preemptive or remedial actions necessary. CCMP Capital seeks to actively manage six key areas of risk through "Centers of Excellence" – Foreign Exchange, Commodity Markets, Interest Rates, Debt Capital Markets, Equity Capital Markets and Counterparty Risks – each led by individual Investment Committee members.

Additional information about the investment processes and methods of analysis employed with respect to each CCMP Client is available in the CCMP Client's PPM.

### ***Investment Risks***

CCMP Capital's investment activities involve a significant degree of risk that investors should be prepared to bear. While CCMP Capital seeks to manage CCMP Clients so that risks are appropriate to the return potential for the strategy, it is often not possible to fully mitigate risks. An investment in a CCMP Client contemplates the risk of loss and there can be no guarantee that a particular level of return will be achieved. Investors should be aware that CCMP Clients are not diversified or intended to provide a complete investment program. CCMP Capital assumes that investors in CCMP Clients will not invest all of their assets in the CCMP Client. Investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

As a private equity focused investment firm, the securities in which a CCMP Client may invest are generally highly illiquid and, although these investments may occasionally generate some current income, the return of capital and the realization of gain, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. It is unlikely for there to be a public market for most of the securities recommended by CCMP Capital on behalf of CCMP Clients, and such securities may require a substantial period of time to liquidate. It is expected that certain portfolio companies will, after a period of time, become publicly traded companies, as part of the strategy to exit the initial investment.

As it is not possible to identify all of the risks associated with investing, this section discusses certain material risks of CCMP Capital's investment activities. Moreover, the particular risks applicable to a CCMP Client will depend upon various factors, including the CCMP Client's investment strategies, restrictions and holdings and whether the CCMP Client is within its investment period. For example, certain of the risks relating to

new investment activities are not applicable to certain CCMP Clients including, particularly, the CCMP Sub-Advised Funds and those CCMP Advised Funds that are no longer making investments in new portfolio companies (although they may make “follow-on” investments in existing portfolio companies). Additionally, certain risks associated with particular types of investments (e.g., distressed debt) are applicable only to CCMP Clients making such investments. Investors and prospective investors in a CCMP Client should consult the relevant CCMP Client’s PPM for a more detailed discussion of applicable risks.

*Impact of Economic and Geopolitical Conditions.* The activities of, and investments made by, CCMP Clients are impacted by various economic factors. Interest rates, general levels of economic activity, the prices of securities and participation by other investors in the financial markets may affect the value and number of investments made by a CCMP Client or considered for prospective investment. General economic and market conditions, including market liquidity, are also influenced by geopolitical factors. For example, an unstable geopolitical climate, the continued threat of terrorism and the possibility of pandemics or natural disasters could adversely impact economic fundamentals and consumer confidence, increasing the risk of default of particular investments, negatively impacting market value, increasing market volatility and causing credit spreads to widen and reduce liquidity.

The value of investments may fluctuate in accordance with changes in the financial condition of portfolio companies and other factors that affect the markets in which CCMP Clients invest, and not all CCMP Clients will necessarily be impacted similarly by changing conditions. While portfolio companies generally will be subject to the same general conditions, not all portfolio companies will be similarly impacted. Any adverse impact on portfolio companies could adversely impact fund returns.

Economic slowdowns or downturns could result in financial losses for portfolio companies and CCMP Clients, and their respective investors. Recent events in the global financial markets have caused significant dislocations, illiquidity and volatility in the wider global economy. To the extent that such marketplace events are not temporary and continue (or even worsen), there could be an adverse impact on the availability of credit to businesses generally and could lead to further overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of portfolio companies in which CCMP Clients invest or have invested and result in the inability of such portfolio companies to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a CCMP Client may suffer a partial or total loss of capital invested in such portfolio companies which would, in turn, have an adverse effect on the CCMP Client’s returns. Such marketplace events could also restrict the ability of a CCMP Client to make new investments, or to sell or liquidate investments at favorable times or for favorable prices. There can be no assurance as to the duration of the current market dislocation or as to the timing of future market dislocations.

*Possible Lack of Diversification.* CCMP Clients may not be subject to any comprehensive diversification or asset allocation requirements or be limited to a



particular investment strategy. To the extent a CCMP Client concentrates investments in a particular geographic region, security, investment sector or stage of investment, investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, sector or stage of investment. In addition, a CCMP Client may participate in a limited number of investments in which case the investment returns of the CCMP Client could be substantially adversely affected by the unfavorable performance of a single investment.

*Competition for Investment Opportunities.* The activity of identifying, completing and realizing attractive investments on a global basis is competitive and involves a high degree of uncertainty. CCMP Clients may compete with other potential investors including private funds, hedge funds, other financial institutions or other corporate or strategic buyers for limited investment opportunities. Where multiple CCMP Clients are simultaneously in a period where new and/or follow-on investments are permissible, such CCMP Clients may compete for investment opportunities. In these cases, CCMP will seek to allocate investment opportunities fairly and equitably over time in accordance with CCMP's written policies and procedures, as described below – see “*Allocation of Contemporaneous Investment Opportunities and Co-Investments*” in Item 10, below. As a result of the foregoing factors, there can be no assurance that a CCMP Client will be able to locate and complete portfolio investments that satisfy the CCMP Client's return objectives or realize their potential values or that the CCMP Client will be able to become fully invested for a significant period of time, if at all. Management fees payable by a CCMP Client during its Investment Period (as defined in Item 10) are based on aggregate capital commitments, regardless of whether the CCMP Client is able to become fully invested.

*Uncertain Nature of Investments.* CCMP Clients may enter into high-risk investment opportunities of all kinds in all markets globally, including in, but not limited to, equity securities, pooled investment vehicles and investments denominated in foreign currencies. Additionally, these investments are often made in reliance on projections made by CCMP Capital or the management of a portfolio company concerning future performance, outcomes, cash flows and other matters that may rely on assumptions and are subject to uncertainties and factors beyond the control of CCMP Capital or the portfolio company. The inaccuracy of certain assumptions, incomplete knowledge of relevant information (which may or may not be knowable at the time of the investment) or the occurrence of unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes or cash flows. In some cases, investments must be completed on an expedited basis in order to take advantage of an opportunity. This may further reduce CCMP Capital's or a portfolio company's knowledge of facts and circumstances that could impact a projection or the investment and there can be no assurance, in any event, that CCMP Capital will have knowledge of all circumstances that could adversely affect an investment. Companies in which the CCMP Clients invest may not achieve their expected operational objectives and might experience substantial fluctuations in their operating results or cash flows. In all such cases, CCMP Clients are subject to the risks associated with the underlying businesses engaged in by portfolio companies, including market conditions, changes in regulatory environment, general economic and political conditions, the loss of key management personnel and other

factors. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a CCMP Client or considered for prospective investment. Potential investors should realize that realization events could be delayed as a result of general economic conditions, illiquidity of portfolio investments, contractual prohibitions or other reasons mentioned herein.

*Reliance on Portfolio Company Management.* Although CCMP Capital will monitor the performance of each portfolio company investment, it will primarily be the responsibility of company-level management to operate portfolio companies on a day-to-day basis. Although CCMP Clients generally intend to invest in portfolio companies operated by strong management teams, there can be no assurance that the management team of a portfolio company will be able to successfully operate the company or will meet CCMP Capital's expectations.

*Control Positions and Board Participation.* CCMP Clients generally seek investment opportunities that provide the opportunity to have significant influence on the management, operations and strategic direction of their portfolio companies. The exercise of influence or control imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. This could expose the assets of a CCMP Client to claims by a portfolio company, its securities holders and its creditors.

In some cases, CCMP Clients may be represented on the boards of directors of portfolio companies or have board observation rights. While such representation or observation rights may be important to a CCMP Client's investment strategy and may enhance CCMP's ability to manage the CCMP Client's investments, they may also have the effect of impairing the CCMP Client's ability to sell the related securities when, and upon the terms, that it may otherwise desire. Such rights also may subject a CCMP Client, CCMP or its related persons to claims they would not otherwise be subject as an investor, including claims of breach of the duty of loyalty, securities-related claims and director-related claims. CCMP Clients may, to the extent provided for in governing documents and where permitted by applicable law, indemnify CCMP or its related persons from such claims.

*Minority Investments.* A CCMP Client may make, or may have made, minority equity investments in entities that may develop economic or business interests or goals that are inconsistent with those of the CCMP Client. There is no assurance that CCMP Capital will be able to control the CCMP Client's investment in such a portfolio company.

*Investments in Less Established Companies.* CCMP Clients may invest a portion of their assets in securities issued by less established companies. Such investments involve greater risks than generally are associated with later stage companies. To the extent that there is any public market for such securities, price movements may be more abrupt and erratic than is the case for securities issued by more established companies. Less established companies also tend to have lower capitalizations and fewer resources,

making them potentially more vulnerable to financial failure. These companies also may have shorter operating histories on which to judge future performance and, if operating, may have negative cash flow.

*Bridge Financings.* From time to time, a CCMP Client may lend to portfolio companies on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such long-term securities issuances or other refinancings or syndications may not occur and such bridge loans and interim investments could remain outstanding, in which case the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the position taken by a CCMP Client.

*Third Party Investments.* CCMP Clients may co-invest with third parties through partnerships, joint ventures, or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party co-venturer or partner may have economic or business interests or goals that are inconsistent with those of a CCMP Client, or may be in a position to take action contrary to the CCMP Client's investment objectives, and other risks associated with not having control over the investment.

*Insufficient Capital for Follow-On Investments.* From time to time, a portfolio company may require additional capital. There is no assurance that a CCMP Client will make follow-on investments or that the CCMP Client will have sufficient resources to, or be permitted to, make such follow-on investments. A decision to not make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company, may result in missed opportunities for a CCMP Client or may result in dilution of the CCMP Client's investment.

*Investments in Regulated Industries.* The industries targeted for investments by CCMP Clients may be subject to various regulatory regimes. Such regulations could impact a CCMP Client's ability to make an acquisition or disposition of an investment as well as a portfolio company's operations and results. Changing regulations may increase the impact on CCMP Clients and portfolio companies and there can be no assurance that CCMP will be able to anticipate or react to changing regulations.

*Labor Relations.* CCMP Clients may invest in portfolio companies with unionized work forces or where employees are covered by a collective bargaining agreement, which could subject the portfolio company's activities and labor relations to complex laws and regulations. A portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any collective bargaining agreement, a portfolio company might be unable to negotiate new collective bargaining agreements on equally favorable terms and its business operations could be interrupted as a result of labor disputes, which could have a material adverse effect on the portfolio company.

*Investments Longer than Term.* A CCMP Client may make investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date the CCMP Client is required to be dissolved, either by expiration of the CCMP Client's term or otherwise, and therefore a risk exists that a CCMP Client may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

*Portfolio Company Leverage.* Although CCMP Clients do not use leverage for investment purposes at the fund level, to the extent that any investment is made in a portfolio company with a leveraged capital structure, such investment will be subject to increased exposure to adverse economic factors, including fluctuations 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 value of a CCMP Client's investment in such portfolio company could be significantly reduced or even eliminated.

*Non-U.S. Investments.* A CCMP Client may invest in the assets and securities of non-U.S. issuers and may invest in companies located in emerging markets. Investments of this type are subject to certain risks not typically associated with investing in U.S. securities including, but not limited to, price fluctuations, currency exchange rate fluctuations and costs, differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less governmental supervision and regulation, certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability, the possibility of expropriation or confiscatory taxation, and the possibility of non-U.S. taxes on income and gains recognized with respect to such securities. These risks may be more pronounced in emerging markets.

*Non-OECD Investments.* Certain CCMP Clients may invest a portion of its assets in countries which are not members of the Organization for Economic Cooperation and Development (OECD), which entails additional risks. For example, some non-OECD countries may require prior government approval for foreign investments and the repatriation of investment income, capital and the proceeds of sales of investments and the process of obtaining those approvals may require a significant expenditure of time and resources. In addition, many non-OECD countries do not have well-developed shareholder rights and provide inadequate legal remedies for breaches of contract, and companies in non-OECD countries are not generally subject to uniform accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to U.S. companies. As a result, information about a particular company may be difficult to obtain or assess. The prices at which a CCMP Client may sell its investments may be affected by other market participants' anticipation of the CCMP Client's activities and by trading by persons with material non-public information. Securities markets in non-OECD countries are generally smaller in size, less liquid and experience greater volatility than U.S. securities markets. Political or social instability may also have an adverse effect on non-OECD countries and the performance of a CCMP Client's investments in such markets.

*Currency Exchange Risk.* Capital contributions to a CCMP Client are generally payable in U.S. dollars and the CCMP Client's assets will be valued in U.S. dollars. A portion of CCMP Client's investments may be denominated in currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. dollar. A CCMP Client may be affected by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar, as well as the transaction costs associated with converting foreign currencies into U.S. dollars. Changes in foreign currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized on the sale of such investments. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign currency exchange markets, the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. CCMP Capital or a CCMP Client may, but are not obligated to, seek protection against currency-related risks by using certain hedging strategies. Currency hedging is a highly specialized activity and there can be no assurance that the intended result will be achieved. Additionally, currency hedging may reduce potential profits to the extent that an increase in the value of investments relates to changes in currency prices. In addition, if judgments made with respect to future currency prices or conditions impacting currency prices such as exchange rates, market conditions or trends are not correct, these hedging strategies could result in losses to the CCMP Clients. Hedging also entails additional risks, including counterparty credit risk and market liquidity risk. CCMP Capital and the CCMP Clients may rely on CFTC "de minimis" exemptions or other exemptions in accordance with Commodity Futures Trading Commission ("CFTC") rules and regulations that may reduce CCMP Capital's or the CCMP Clients' ability to hedge currency exchange risks.

*Inflation.* Some non-OECD countries have experienced substantial rates of inflation. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economics and securities markets of certain non-OECD economies. There can be no assurance that inflation will not become a serious problem in the future and thus have an adverse impact on a CCMP Client's returns.

*Contingent Liabilities on Dispositions of Investments.* CCMP Clients invest primarily in private securities. In connection with the disposition of an investment in a portfolio company, a CCMP Client may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business or may be responsible for the contents of disclosure documents under applicable securities laws. The CCMP Client may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate or misleading. These arrangements may result in the incurrence of contingent liabilities, which may adversely impact the CCMP Client (or its investors who may be called upon to fund the payment of such liabilities to the extent that the investors have received prior distributions from the CCMP Client).

*Litigation.* Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. A CCMP Client may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where the CCMP Client

exercises control or significant influence over a portfolio company's direction, including as a result of board participation. Such litigation can arise as a result of issuer default, issuer bankruptcies and/or other reasons. In certain cases, such issuers may bring claims and/or counterclaims against the CCMP Client, CCMP Capital, the CCMP Client's general partner and/or their respective principals and affiliates alleging violations of securities laws and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against the CCMP Client by third parties and paying any amounts pursuant to settlements or judgments would be borne by the CCMP Client to the extent that (1) the CCMP Client has not been able to protect itself through indemnification or other rights against the portfolio companies, (2) the CCMP Client is not entitled to such protections or (3) the portfolio company is not solvent. CCMP Capital, its affiliates and others may be indemnified by a CCMP Client in connection with such litigation.

*Distressed Investments (Applicable to CCMP III Only)*

As discussed above, CCMP III may make Distressed Investments when CCMP Capital believes such investments may provide an opportunity for CCMP III to take a meaningful minority or control equity position in a distressed company so as to be in a position to directly influence a restructuring such that holders emerge from the restructuring in control of the company's equity. OCO assists CCMP Capital in the investment activities of CCMP III with respect to Distressed Investments. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that either CCMP or OCO (to the extent OCO assists CCMP) will correctly evaluate the value of the assets underlying these investments or the prospects for a successful reorganization or similar action.

Distressed Investments may involve securities and other instruments that have a high degree of risk including, principally, loans, debt securities or other interests that are non-performing and possibly in default at the time of purchase, so there can be no assurance as to the timing or amount of payments of principal or interest. In some cases, the obligor or a relevant guarantor may also be in the midst of a workout, restructuring, bankruptcy or liquidation, subjecting holders of distressed debt to additional risks, and potential costs and liabilities, including the following:

*Investments in Restructurings.* Investments in restructurings involve companies that are experiencing or are expected to experience financial difficulties and may be subject to potential liabilities in excess of the original investment. A portfolio company's financial difficulties may never be overcome and may lead to bankruptcy proceedings. Applicable bankruptcy and insolvency law as well as local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims may adversely impact the value of these investments.

*Bankruptcy Claims, Trade Claims and Other General Unsecured Claims.* Distressed Investments may include bankruptcy claims, trade claims and other general unsecured

claims of a debtor (collectively “Claims”). Because Claims are frequently unsecured and may be subordinated to other unsecured obligations of the debtor, the repayment of Claims may be subject to significant uncertainties, including potential set-off by the debtor as well as the other uncertainties described herein with respect to other distressed securities or debt instruments. Such investments could, in certain circumstances, subject CCMP III to certain additional potential liabilities that may exceed the value of its original investment. Investments in Claims may also be subject to the risk of fraud on the part of an assignor of the Claim as well as logistical and mechanical issues which may affect collections. In addition, under certain circumstances, payments to CCMP III and distributions by CCMP III to its limited partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws.

*Participation on Creditors’ Committees.* CCMP Capital or an affiliate may participate on committees formed by creditors to negotiate with the portfolio company’s management (or may seek to negotiate directly with the portfolio company’s management) with respect to restructuring issues. Creditors’ committees generally include multiple participants and multiple parties may join in, or undertake separate, negotiations. Each committee member or negotiating party will seek an outcome that is in its best interest and there can be no assurance that favorable results will be obtained for CCMP III. Additionally, CCMP III may incur significant legal fees and other expenses, and be subject to potential liability to other creditors, in connection with committee participation or negotiation with an issuer. If negotiations result in CCMP Capital or an affiliate receiving material non-public information, CCMP III may be unable to trade in the company’s securities or other debt instruments, which could prevent CCMP III from achieving gains or avoiding losses with respect to its investment in the company.

*Allegations of Equitable Subordination or Lender Liability.* CCMP III could be subject to lender liability claims by an obligor or equitable subordination claims by other creditors, as a result of actions taken on its behalf or on behalf of other holders. This may reduce or eliminate returns or result in CCMP III’s claims being subordinated to (*i.e.*, paid after) other claims that would otherwise have been of equal or lower priority to CCMP III’s claims. Where CCMP III is not the lead creditor, it is possible that actions of the lead creditor could result in lender liability or equitable subordination even without the direct involvement of CCMP III.

*Other Risks Associated with Bankruptcies.* Issuers of a Distressed Investment held by CCMP III may declare bankruptcy. Bankruptcy cases are adversarial and may be lengthy. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions that may be contrary to the interests of CCMP III. If CCMP III were determined to have taken over management and functional operating control of a debtor, it could lose its ranking and priority as a creditor. Reorganizations can involve substantial legal, professional and administrative costs, and are subject to unpredictable and lengthy delays. During the process, the company’s competitive position may erode, key management may depart and the company may not be able to invest adequately.

### Fund Related Risks

In addition to the risks identified above, investors in a CCMP Client may be subject to certain fund-related risks, including the lack of liquidity for interests of the CCMP Client, as set forth in the applicable PPM and operative documents of a CCMP Client. Clients of CCMP Capital, as well as investors in CCMP Clients, should be prepared to incur losses.

### **ITEM 9: DISCIPLINARY INFORMATION**

Not Applicable

### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### ***Other Financial Industry Affiliations***

CCMP Capital is affiliated with other entities engaged in the financial services business and, in some cases has business arrangements with such entities that are material to its advisory business or to its clients. These are described in more detail below and, in some cases, may cause CCMP Capital's or a related person's interests to diverge from the best interests of a CCMP Client.

CCMP Capital Advisors (UK) II Limited ("CCMP (UK)"). CCMP Capital's United Kingdom affiliate, CCMP (UK), is registered with the Financial Conduct Authority in the United Kingdom. CCMP Capital and CCMP (UK) are under common control. CCMP (UK) provides investment advisory services to CCMP Capital, including identifying investment opportunities in the United Kingdom and Europe for CCMP Advised Funds. It has no other business besides providing advice and other services to CCMP Capital with respect to CCMP Clients. As discussed above, CCMP Capital's Investment Committee, which is ultimately responsible for making final decisions on new investments for CCMP Clients, is comprised of senior members of CCMP Capital and CCMP UK.

Octagon Credit Investors, LLC ("Octagon"). CCMP's parent company, CCMP Capital, LLC, owns a majority interest in Octagon, an investment adviser registered with the SEC. Octagon is an investor in and investment adviser to several funds and managed accounts that invest in loans to corporations and other entities, and in high yield debt securities. These are different investment asset classes than those that CCMP Capital generally invests in on behalf of CCMP Clients. Octagon maintains separate investment committees responsible for making the investment decisions on behalf of Octagon's clients in accordance with Octagon's investment strategy. One member of CCMP Capital's Investment Committee may serve on one or more investment or strategy committees related to the Octagon Multi-Strategy Fund. Three members of CCMP Capital serve on Octagon's Board of Managers. Certain Octagon Credit Investors, LLC personnel may receive a small portion of the total carried interest from CCMP III.

Octagon Credit Opportunities, LLC ("OCO"). CCMP Capital, LLC and Octagon each own significant interests in OCO, an investment adviser formed to invest in distressed



debt situations. OCO, a “relying adviser” of Octagon, assists CCMP Capital in connection with the investment activities of CCMP III with respect to Distressed Investments made by and held in CCMP III. OCO also serves as sub-adviser to Octagon with respect to a portion of the assets of the Octagon Multi-Strategy Fund. OCO personnel are eligible to receive from CCMP Capital an incentive fee on investment gains net of writedowns on CCMP III Distressed Investments.

*Other Investment Related Activities.* CCMP Capital has filed for an exemption from registration as a commodity trading adviser in accordance with CFTC Rule 4.14(a)(8) and certain affiliates of CCMP Advised Funds have filed for exemptions from registration as commodity pool operators in accordance with CFTC Rule 4.13(a)(3) on behalf of the CCMP Advised Funds.

***Conflicts of Interest Associated with Affiliated Advisers and Other Business Activities***

Due to CCMP Capital’s affiliations with Octagon and OCO, the various business activities of CCMP Capital, its affiliates and their respective personnel, including the management of various investment accounts, actual or potential conflicts of interest may exist or arise that may be material to CCMP Clients. In particular, due to (1) the ownership structure of CCMP Capital and its affiliated advisers, and (2) the fact that CCMP Capital and its affiliated advisers, and their respective personnel, may invest, directly or indirectly in funds managed by the advisers and may also receive carried interest with respect to certain investments in such funds, CCMP Capital, its parent company, the affiliated advisers and their respective personnel may have differing investment, compensatory and other pecuniary interests that could serve to influence such persons to favor one client over another – including in circumstances where personnel are in position to influence investment or other decisions that impact clients.

In light of this, CCMP Capital and its affiliated advisers have developed processes, including those described below, reasonably designed to mitigate the incentive that CCMP Capital, its affiliated advisers and their respective personnel may have to direct more favorable investments to certain clients or to engage in transactions where the assets of some clients are committed to transactions that may unduly benefit other clients. These processes are also intended to assist CCMP Capital, its affiliated advisers, and their respective personnel in resolving, in the best interest of clients: (1) conflicts between or among CCMP Clients; (2) conflicts between the interests of one or more CCMP Clients and one or more clients of an affiliated adviser; and (3) conflicts between the interests of CCMP Capital and its affiliates and those of CCMP Clients and/or an affiliated adviser’s clients, such as circumstances where the activities or decisions of CCMP Capital, its affiliates or their personnel may ultimately disadvantage one or a group of clients.

Conflicts related to: (1) overlapping investment opportunities and investment in common portfolio companies, including competition for investments as well as situations where the interests of one or more clients that have invested or may invest in a portfolio company diverge; (2) allocation of contemporaneous investment opportunities and co-investments in circumstances where there is sufficient capacity; (3) allocation of

resources, time and attention; and (4) potential restrictions on trading that may result from the activities of CCMP Capital, its related advisers and their respective personnel, as well as the various policies, procedures, structures and practices that CCMP Capital and its affiliates utilize to mitigate conflicts, are described in more detail below.

### ***Conflicts Related to Overlapping Investment Opportunities***

Situations involving overlapping investments or opportunities (including competing and conflicting investments, as well as co-investments) may create a variety of conflicts of interest as between CCMP Clients and as between CCMP Capital and its affiliated advisers. In particular, conflicts may arise (1) between CCMP Clients to the extent that more than one CCMP Client is in its Investment Period, as defined below, or otherwise may be eligible to invest in the same investment opportunity; (2) between CCMP Clients, generally when one client has an opportunity to make a follow-on investment in another client's portfolio company or when clients' interests with respect to a common portfolio company diverge; (3) between a CCMP Client and an Octagon client, in circumstances where an Octagon client invests in a loan to, or high yield debt security of, one of the CCMP Client's portfolio companies (or, conversely, a CCMP Client acquires an interest in a company in which the Octagon client owns such an interest); (4) among clients, generally when one client has the opportunity to make an investment in an investment held by another client; and (5) between CCMP Capital and its affiliated advisers on one hand, and their respective clients on the other, to the extent that efficiencies that may exist with respect to overlapping investments among clients, when weighed against the related policies, procedures and conflicts associated therewith, may create an incentive for an adviser, or the advisers collectively, to favor (or disfavor) opportunities that fall within the permissible investment universe for more clients as opposed to opportunities in which a narrower range of clients can invest.

#### *Clients May Have or Take Differing Interests in a Common Portfolio Company.*

An investment opportunity in a particular issuer may be appropriate for multiple clients. Subject to certain controls and restrictions, described below, CCMP Clients and/or clients of its affiliated advisers may invest in a common portfolio company. Portfolio companies may issue different classes of securities with differing rights and, in some cases, rights may differ even among the same class of interests. Each client's interests may occupy the same, similar or different positions in the portfolio company's capital structure and may have different rights as to seniority, security or collateral rights, interest rates, dividends, voting or consent rights, and participation in liquidation proceeds. In some cases, one client may hold interests in a broader spectrum of the capital structure of a portfolio company than other clients. Investments may have been made at the same or different times and prices and may or may not have been coordinated.

CCMP Clients, as well as clients of its affiliated advisers, will not always have the same economic interests or investment objectives with respect to a common portfolio company. CCMP Capital, its related advisers, and one or more of their respective clients may have different views on the operations or activities of the portfolio company, the targeted returns for the investment and the timeframe for, and method of, exiting the investment.

Depending on the nature of the opportunity or investments, and of the potential actions that CCMP Capital or its affiliated advisers may take in connection therewith, CCMP Capital or its affiliated advisers may, when acting in a fiduciary capacity, take an investment position or action for certain clients that may be different from, or inconsistent with, an action or position taken for other clients sharing similar or different investment objectives. Investments and actions taken for one client or group of clients may overlap, compete or conflict with other clients and client interests may diverge, particularly when the portfolio company experiences financial distress.

#### *Follow-On Opportunities May Impact Existing Holders of a Portfolio Company*

From time to time, an opportunity may arise to invest in a portfolio company held by one or more clients (each an “existing holder”). In each case, such investments may represent: (1) an investment by clients that were not previously invested in the portfolio company (each a “new holder”) together with one or more existing holders (*i.e.*, clients making a follow-on investment in the portfolio company); or (2) an investment by one or more new holders without a follow-on investment by an existing holder when (a) there is insufficient capital for the existing holder to make a follow-on investment or (b) the existing holder’s adviser has otherwise determined that a follow-on investment would be inappropriate or inadvisable. Subsequent investments in a common portfolio company (*e.g.*, when a new holder invests in a portfolio company but the existing holder lacks sufficient assets to make a follow on investment) may adversely impact existing holders through diluting or otherwise disadvantaging the value of investments held by existing holders or impacting the cost to existing holders of implementing portfolio decisions or strategies. In other cases, a subsequent investment might have the effect of increasing the value of the existing holders’ interests in the portfolio company but, in hindsight, have provided little or no benefit to new holders.

Although subsequent investments may improve the prospects of a portfolio company (or even be necessary to prevent a portfolio company from failing), in determining to make an investment or in negotiating the terms and conditions of any such investment, or subsequent amendments or waivers, or in voting proxies or exercising rights with respect to such investments, an adviser may find that its own interests, the interests of a client, and/or the interests of one or more other clients could conflict. For example, an adviser may have an incentive to use a new holder’s assets to avoid losses to existing holders or to structure a new holder’s investment so as to minimize dilution, even though that might not be in the best interests of the new holder.

#### *Actions Taken by an Adviser in the Interests of One Client Impact Other Clients*

As the investments held by, and actions taken with respect to, different clients will depend on the particular interests of those clients (which may not be aligned, particularly where clients hold different, or overlapping but not identical investments in an issuer), decisions made by an adviser for one client can be expected to differ in some cases from those made for other clients. In cases where an issuer in which multiple clients hold interests acquired at different points in time or in different positions within the issuer’s capital structure experiences financial distress, decisions over the terms of any workout

may raise conflicts of interest (including, for example, conflicts over proposed waivers and amendments to debt covenants). When called upon to take action with respect to an investment (e.g., to sell, to vote, or to exercise a right or remedy) a client's overall holdings, and related rights, may be such that it is in the client's best interest to take action (or refrain from taking action) in a manner that would be contrary to the interest of a person holding only the particular class of interest on which the right is conferred, when doing so is in the overall best interests of the client based on its overall holdings. In these circumstances, clients that have co-invested in some, but not all, of the classes of interests of the issuer held may be disadvantaged. Because the advisers intend to take actions for each client in the best interest of that client, the advisers may, for example, cast votes for some clients in favor of a particular proxy question while voting other clients holdings against that proxy question. Such actions may adversely impact some or all clients.

Additionally, when considering whether to pursue a particular course of action, including asserting available claims or remedies, factors that may be considered include the costs of pursuing the course of action (or alternative courses of action) and the likelihood of a favorable outcome. As a result, not every potential claim or course of action will be pursued and it will not always be the case that conflicts will be able to be resolved in the best interest of any particular client nor can there be any assurance that actual or potential conflicts of interest can be resolved such that the ultimate terms of an investment (or an amendment to such terms) will be as favorable as they would be in the absence of such conflicts.

### Mitigants

CCMP Capital and its affiliated advisers seek to mitigate these conflicts by: (1) minimizing the circumstances where overlapping investments may occur, including through structural limitations on the ability of a client to invest in certain opportunities; and (2) the use of decision making bodies, structures and methodologies that are reasonably designed to reduce the impact of conflicts. These include:

- *Granting Priority to Clients during Specified Investment Periods*

Certain conflicts arising from overlapping opportunities are partially mitigated because CCMP Clients follow the traditional private equity model pursuant to which a CCMP Client is eligible to make new private equity investments for only a specified period (the "Investment Period"). Following the Investment Period, a CCMP Client's investments are generally limited to: (1) completing investments committed to during the Investment Period; and (2) making follow-on investments in the CCMP Client's existing portfolio companies, as described in its organizational documents. Although it is generally the case that Investment Periods do not significantly overlap for CCMP Clients, a new CCMP Client (a "Successor Fund") may be formed and enter its Investment Period prior to the end of another CCMP Client's Investment Period. As a result, more than one CCMP Client may be in an active Investment Period at the same time, although this situation would be expected to exist, if at all, for a limited period of time as the older fund entity reaches the end of its Investment Period. New investment opportunities will be allocated in such situations as described in "*Allocation of Contemporaneous Investment*

*Opportunities and Co-Investments*”, below, while a CCMP Client will have priority for making “follow on” investments in one of its portfolio companies.

- *Limitations on Distressed Investments by CCMP Clients*

CCMP III is only permitted to invest in distressed debt either as a follow on investment or in connection with, or in contemplation of, taking a meaningful minority or control equity position in a distressed company, and only in such investment opportunities which meet the investment objectives of CCMP III and are within the limitations as set forth in the governing documents of CCMP III with respect to Distressed Investments.

- *Limitations on Subsequent Investments in Portfolio Companies of Other Clients*

In certain cases CCMP Clients may be prohibited from, or required to obtain the consent of an Advisory Board (which generally consists of investors in the client) prior to, making an investment in a portfolio company held by another CCMP Client, a CCMP Sub-Advised Fund or in a JPMP portfolio company managed by CCMP Capital (the “Existing Funds”). To the extent permitted, such investments may be made in the same or similar securities as held by any of the Existing Funds, but acquired at different times at lower or higher prices. Such investments may also be in securities with terms that differ significantly from the securities held by the Existing Funds, including with respect to seniority, dividends, voting rights and participation in liquidation proceeds, all of which may create conflicts of interest.

Obtaining Advisory Board approval may assist in assuring that such investments are in the new holder’s best interest. However, approval by a new holder’s Advisory Board does not take into account the existing holder’s interests and it is not generally the case that an existing holder will have the authority to prevent or limit such investments by a new holder.

In addition, without the consent of its Advisory Board, certain CCMP Clients may make investments in companies in which the CCMP Client’s general partner, CCMP Capital, a member of its Investment Committee or any other investment professional employee of CCMP Capital (each of the foregoing, a “CCMP Party”) owns less than 5% of the ownership interests in such company. Certain CCMP Clients may make such investments with the consent of its Advisory Board if a CCMP Party owns 5% or more of the ownership interests in such company. The investment by any CCMP Party may create conflicts of interest in such circumstances.

- *Octagon Investments in CCMP Portfolio Companies*

With respect to Octagon clients generally, CCMP Capital believes that due to the nature of Octagon’s investment activities, the amount of a portfolio company’s bank loans or high yield securities owned by Octagon would typically be insufficient to create a material conflict of interest between Octagon and CCMP Capital clients, although some exceptions may occur.

- *Decision-Making Bodies and Methodologies*

While the mitigants described above help to reduce conflicts associated with investments in common portfolio companies, the advisers recognize that these mitigants may not be sufficient to prevent or resolve every conflict that might arise as a result of clients investing in common portfolio companies, especially in distressed situations or where client interests have significantly diverged.

Because these conflicts vary based on the particular circumstances that exist at the time the conflict arises and must be resolved, it is anticipated that most conflicts will be resolved on a case-by-case basis pursuant to general fiduciary principles, under which each of the advisers seeks to resolve potential conflicts associated with overlapping opportunities (including those described herein) in the best interests of each client without consideration of: (1) the adviser's own interests; (2) the interests of the other advisers; or (3) the interests of other clients. The advisers may, where appropriate, consult with one another in identifying and seeking to resolve conflicts (including by convening a formal or informal conflicts committee composed of at least one representative from each of the advisers). While CCMP Capital expects that the role and decision making methods of these committees will help mitigate conflicts, it will not eliminate them. As appropriate, decisions as to the resolution of material conflicts with respect to investments of a particular account may be referred to a CCMP Client's Advisory Committee (or similar committees for another adviser's relevant clients).

***Allocation of Contemporaneous Investment Opportunities and Co-Investments***

A conflict may arise between CCMP and its affiliated advisers, as applicable, when an investment opportunity arises that would be appropriate for multiple clients in a single issuer and multiple clients are able to invest. In such relevant circumstances, such clients may co-invest in accordance with the relevant governing documents of each. Although it is generally the case that investment periods do not significantly overlap for CCMP Clients, it is possible a Successor Fund may be formed and enter its Investment Period prior to the end of another CCMP Client's Investment Period. In such instances, CCMP Capital will allocate investment opportunities between the CCMP Clients in a manner that it determines to be equitable under the circumstances, taking into account various factors including but not limited to unfunded capital commitments of the CCMP Clients, reserves for follow-on investments, the likely hold period of such investments and such other factors as CCMP Capital reasonably determines are relevant.

On an investment-by-investment basis, CCMP Capital may, but is not obligated to, offer co-investment opportunities to limited partners and/or third parties, which it may select in its sole discretion, for investments in a portfolio company either directly or through the formation of one or more co-investment entities. In determining to offer any co-investment opportunity in a specific portfolio investment, CCMP Capital will generally first determine the appropriate amount of such portfolio investment to be allocated to the CCMP Client taking into account relevant circumstances (including, without limitation, the size of the investment opportunity, the CCMP Client's investment objectives, risk profile and return expectations, and the CCMP Client's diversification requirements,

unfunded capital commitments, the probability of follow-on investments related to such investment and the overall construction of the CCMP Client's portfolio of investments) before allocating any portion of such portfolio investment to one or more co-investors. CCMP Capital may also offer a co-investment opportunity if it determines a particular co-investor may potentially add strategic value with respect to such portfolio investment or that offering such co-investment opportunity is otherwise in the best interests of the CCMP Client.

Certain co-investors may pay no or reduced management fees, certain other fees and carried interest. Otherwise, the terms of any such co-investment will be no more favorable to the co-investors than those received by the CCMP Advised Fund. In addition, in the case of CCMP III, the terms of the limited partnership agreement provide that other than with the consent of the CCMP III advisory committee, the terms of any co-investment: (a) will be made, subject to legal, tax, regulatory and other similar considerations, on substantially the same terms and conditions as the investment by CCMP III and (b) other than an investment that, at the time of disposition by the applicable co-investor or CCMP III, consists of an investment of marketable securities, will be disposed of, subject to legal, tax, regulatory and other similar considerations, at the same time, and on substantially the same terms and conditions, as the investment by CCMP III; provided, however, that in the event of an initial public offering of a portfolio company held by CCMP III, such co-investor will not be permitted to sell marketable securities independently of CCMP III until after CCMP III has made its first disposition of securities after such initial public offering.

### ***Competition for Resources, Time or Attention; Competing Duties***

Certain of CCMP Capital's investment professionals may divide their business time among multiple CCMP Clients (including any parallel fund, any co-investment entity, and any alternative investment vehicle and any entity formed in connection with an investment of a CCMP Client) and/or other activities, including managing certain private equity funds and portfolio companies managed by JPMP or, as noted above, serving on Octagon's board of managers or, in the case of one member of CCMP Capital's Investment Committee serving on one or more committees of the Octagon Multi-Strategy Fund (however, such Investment Committee member continues to devote substantially all of his business time to the investment activities of CCMP Capital). CCMP Capital, its affiliates and their respective personnel may have an incentive to devote greater resources, time or attention to certain clients, investments or activities, based on pecuniary or other interests.

In addition, related persons of CCMP Capital may serve as directors and officers of, and provide business advice to, publicly traded and private companies including some that are portfolio companies. Conflicts may arise when such persons are required to make decisions, in their role as officers and directors, in the best interest of a portfolio company and its shareholders generally but a CCMP's Client's interest diverges from this general interest. This may occur, for example, where a portfolio company is experiencing severe financial distress, near-insolvency or bankruptcy.

### ***Trading Restrictions Due to Material Non-Public Information***

CCMP Capital, Octagon and OCO share common areas within the same office space, although personnel of CCMP are otherwise separated from personnel of Octagon and OCO by physical barriers. CCMP Capital on the one hand, and Octagon and OCO on the other, also maintains separate technology platforms and systems as well as hard documents and files. The firms engage in discussions involving industry and sector trends as well as investment opportunities in the market and such discussions have been subject to the compliance policies and procedures that have been implemented within and between their respective businesses in order to mitigate the potential for any conflict of interest involving material, non-public information concerning an issuer of securities or a borrower of bank loans. Possession of material non-public information could preclude CCMP Capital or its affiliates from effecting transactions in the securities of such companies for clients.

The firms operate without certain information barriers in order to allow more information to be exchanged, however, the lack of information barriers may result in CCMP Clients being unable to engage in certain transactions it would otherwise find attractive, or may be able to engage in such transactions only during limited periods of time, due to the intentional or inadvertent receipt by Octagon or OCO of material non-public information concerning specific companies. Under applicable securities laws, this may limit CCMP Capital's ability to buy or sell securities issued by such companies. Due to these restrictions, a CCMP Client may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold. Similarly, CCMP Capital may decline to receive material non-public information in order to avoid trading restrictions with regard to any other investment vehicle advised or managed by CCMP Capital, Octagon or OCO, even though access to such information may have been advantageous to the Fund. Each Firm's clients may be adversely affected by such restrictions.

In an effort to manage possible risks from the lack of such information barriers described above, each of CCMP Capital, OCO and Octagon maintains a Code of Ethics and provides training to supervised persons with respect to the receipt and handling of material non-public information. In addition, CCMP Capital's, OCO's and Octagon's respective Chief Compliance Officers each maintains a list of restricted securities as to which CCMP Capital, OCO and Octagon may have access to material non-public information and in which CCMP Capital's, OCO's, and/or Octagon's clients are not permitted to trade. Nevertheless, notwithstanding the maintenance of restricted lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in CCMP Capital, or one of its investment professionals, buying and selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on CCMP Capital's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact CCMP Capital's ability to perform its investment management services on behalf of the CCMP Clients. In addition, while CCMP Capital, OCO, and Octagon expect to continue to operate without information barriers, CCMP Capital, OCO and/or Octagon could be



required by certain regulations, or decide that it is advisable to establish information barriers in the future, which may affect how CCMP Capital manages its clients.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### ***Code of Ethics***

CCMP Capital has adopted a Code of Ethics in accordance with Rule 204A-1 under the Advisers Act covering such matters as: (1) prohibitions against securities transactions when in possession of material nonpublic information; (2) personal conflicts of interest, including outside activities and gifts; (3) personal securities transactions policies; and (4) general standards of ethical business conduct. Any client or prospective client may obtain a copy of the Code of Ethics upon request by contacting CCMP Capital. CCMP Capital's contact information appears on the cover page of this Brochure.

### ***Participation or Interest in Client Transactions***

CCMP Capital may recommend to a CCMP Client that it purchase from, or sell securities to, another CCMP Client (a "cross transaction"). A CCMP Advised Fund may be the buyer or seller of such securities. Such a transaction would be unusual and not in the ordinary course of business, but it is possible that CCMP would determine to engage in such a transaction if it determines, in its discretion, that doing so is in its Clients' best interest. If CCMP Capital were to engage in any such transaction it would only do so in accordance with the requirements of Section 206(3) of the Advisers Act (where relevant) and the governing documents of the relevant CCMP Clients including, where relevant, requesting the prior consent of one or more of the participating CCMP Clients to the transaction. This prior consent would generally be requested from an advisory committee of the limited partners of such CCMP Clients.

It is not anticipated that CCMP Capital would for its own account, or for the account of one of its employees or affiliates, purchase securities from, or sell securities to, a CCMP Client (a "principal transaction"). Principal transactions may give rise to potential conflicts of interest, such as the execution of transactions with clients at unfavorable prices, the sale of unwanted securities into client accounts, or the purchase of desirable securities from Client accounts. If CCMP Capital were to engage in any such transaction, it would only do so in accordance with the requirements of Section 206(3) of the Advisers Act, including the requirement to obtain the prior consent of any CCMP Client involved in the transaction. This prior consent would generally be requested from an advisory committee of the limited partners of the CCMP Client.

As described above in Item 5 – *Fees and Compensation*, CCMP Capital may receive fees for managerial and other management services to certain portfolio companies in CCMP Clients. This ability to receive fees for such services represents a potential conflict of interest to the extent the CCMP Client has or will have control of significant influence over such portfolio companies, although this potential conflict of interest is mitigated by the fact that the amount of such fees is typically negotiated with the applicable portfolio

company's management team and/or any roll-over equity holders, as well as by the management fee offset provisions previously described.

Due to "co-investment" and "carried interest" arrangements, most CCMP Capital senior investment professionals will have a financial interest in the securities purchased and sold by a CCMP Advised Fund, and in many (but not all) cases will also have a financial interest with respect to securities purchased and sold by CCMP Sub-Advised Funds. Many senior employees have made or may make personal investments through investment vehicles that invest in securities at the same time, and on the same terms, as the CCMP Advised Funds or certain CCMP Sub-Advised Funds. This type of investment is intended to align the interests of CCMP Capital's personnel with the investors in the CCMP Client. In addition, as discussed in Items 5 and 6 above, most CCMP Capital senior employees also have a carried interest in the overall performance of the CCMP Advised Funds and certain senior employees also have a carried interest in certain of the CCMP Sub-Advised Funds, providing them with a financial interest in the securities purchased and sold by the CCMP Client. Additionally, CCMP personnel may invest in funds managed by CCMP's affiliates. Certain Octagon personnel may also receive carried interest from CCMP III.

Other than through these co-investment and carried interest arrangements, it is not expected that CCMP Capital or its personnel will have a financial interest in the securities purchased or sold by a CCMP Client. An exception may be made in the event that an individual owns an investment in a security owned by a CCMP Client at the time the individual joins CCMP Capital as an employee, the employee owns the security in a "managed account" over which the employee cannot exercise investment discretion with respect to particular transactions or to the extent that an individual owns an interest in a security owned by a CCMP Client indirectly through such individual's investment in third-party investment vehicles, which investments are permitted subject to compliance with CCMP's compliance policies and procedures.

In addition, as described in Item 5, CCMP Capital's Executive Advisors, who are not employees of CCMP Capital but rather are engaged as consultants, may also serve as directors on the boards of CCMP portfolio companies and in such capacity may receive, in addition to compensation paid by CCMP Capital, director fees or other compensation (including stock awards) paid by the portfolio company. Such fees and compensation may be retained by the Executive Advisor and are not subject to a management fee offset. In addition, reasonable out-of-pocket expenses incurred by the Executive Advisor related to a portfolio company may be reimbursed by the portfolio company to the Executive Advisor. In the event an Executive Advisor later joins CCMP Capital as a full-time employee, any compensation previously awarded to the Executive Advisor prior to becoming a full-time employee shall be retained by the Executive Advisor and not be subject to a management fee offset; however any board fee or similar compensation awarded after becoming a full time employee will be subject to management fee offset.

### ***Personal Trading***

CCMP Capital's policy on personal trading prohibits purchases of publicly traded securities by CCMP employees, with limited exceptions. This policy limits the risk that CCMP Capital employees might individually purchase for their own account any securities that are purchased or sold by a CCMP Client. Purchases or sales of private securities, and any permitted public securities trades, must be pre-cleared with CCMP Capital's compliance department so that a determination may be made as to whether the transaction should be prohibited due to CCMP Capital's possession of material nonpublic information, or because the transaction would otherwise create a material conflict of interest. Each employee is required to report their securities holdings periodically to CCMP Capital's compliance department. Transactions in "managed accounts", where the employee does not have investment discretion over the trading activity in the account, are generally not subject to the pre-clearance or reporting requirements since the employee does not make the investment decisions in those accounts.

## **ITEM 12: BROKERAGE PRACTICES**

### ***Selection of Broker-Dealers***

As a private equity firm, CCMP Capital's typical acquisition of a security will involve a privately negotiated transaction with the issuer of the securities, and will not involve the services of a broker or dealer. In disposing of securities that have become publicly traded, or purchasing or selling Distressed Investments, CCMP Capital will select broker-dealers or underwriters for transactions on behalf of the CCMP Advised Funds, and will recommend or select broker-dealers or underwriters for transactions on behalf of the CCMP Sub-Advised Funds.

In selecting or recommending brokers or dealers, CCMP Capital will consider various factors. As a fiduciary, CCMP Capital must execute securities transactions in such manner that a CCMP Client's total cost or proceeds in each transaction is the most favorable under the circumstances. The determinative factor is whether the transaction represents the best qualitative execution for the account and not whether the lowest possible commission cost was obtained. Thus, CCMP Capital will consider the full range and quality of a broker's service in selecting or recommending brokers to meet best execution obligations, including the ability to access or otherwise execute large transactions in the public market. CCMP Capital may not pay the lowest commission rate available. As a starting point, though, the primary consideration is the trade price and commission quoted by the broker-dealers. With respect to transactions in Distressed Investments, CCMP Capital does not typically pay commissions, but rather seeks to obtain the best overall terms at the time of execution. In addition, in some instances CCMP Capital's transactions on behalf of its Clients may be privately negotiated and may not involve the use of a broker or dealer. In those cases, CCMP Capital will seek to negotiate and execute transactions in an efficient manner and consistent with its fiduciary duties to its Clients.

CCMP Capital may, in a manner consistent with its duty to seek best execution, recommend or select a broker-dealer or, with respect to a portfolio company, an underwriter or other service provider, that is an investor in a CCMP Client, including an affiliate of J.P. Morgan Partners.

### ***Aggregation and Allocation of Orders***

From time to time, CCMP Capital manages parallel and alternative vehicles of certain CCMP Clients, which are generally bound to act in “lock-step” with such CCMP Clients. Unless restricted by agreement with a CCMP Client, CCMP Capital may combine transactions for multiple CCMP Clients (including their parallel and alternative vehicles) into a bunch or block transaction, in order to seek more favorable or efficient execution. Where appropriate, transactions for CCMP Capital’s related persons as well as for clients of Octagon or OCO may be included in such a transaction. The price at which an allocation is made among participating accounts will, to the extent possible, be the average price per unit of the total transaction (taking into account relevant fees or commissions and other transaction expenses). Bunched transactions are generally allocated among participating accounts on a pro rata basis, with exceptions generally based upon the investment objectives, strategies and guidelines of the participating clients. (See also, “*Allocation of Contemporaneous Investment Opportunities and Co-Investments*” in Item 10, above for a discussion of allocation of investment opportunities, including co-investments not involving block transactions).

## **ITEM 13: REVIEW OF ACCOUNTS**

### ***Nature and Frequency of Client Account Reviews***

CCMP Capital’s investment professionals monitor and review CCMP Capital’s investment portfolio on a regular basis. Most assets in the investment portfolio are illiquid investments in privately held companies. There may also be public securities positions derived from original positions in private companies (which have gone public or have merged with a public company), often with trading restrictions or limitations due to CCMP Capital personnel being on the issuer’s board of directors and/or the size of CCMP Capital’s position. Valuations are assessed by the investment professionals together with the finance professionals responsible for the portfolio company at least on a quarterly basis, and on a quarterly basis are reviewed with senior management of CCMP Capital, including the senior deal professional, Chief Executive Officer, the Chairman and the Chief Financial Officer.

### ***Frequency and Content of Client Account Reports***

CCMP Capital will provide written reports (at such frequency) as will be required by the applicable agreements with each CCMP Client. As a general matter, however, audited financial statements with respect to each fiscal year, as well as unaudited quarterly reports, will be provided to the investors in a CCMP Client as per agreements entered into involving investors and the CCMP Client. The quarterly reports, where applicable,

typically will include a summary of investments held by a CCMP Client at the end of the related quarterly period.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

##### ***Placement Agent Arrangements***

CCMP Capital will enter into placement agent agreements from time to time in connection with its periodic activities in raising capital for new CCMP Clients. On occasion, CCMP Capital may have a conflict of interest in selecting a broker who acts as a placement agent to also execute portfolio transactions for a CCMP Client.

To the extent permitted by applicable law, any placement agent fees are paid by the applicable CCMP Client but are borne by the CCMP Capital through a 100% offset against the management fee paid by the CCMP Client.

##### ***Other Compensation***

Due to CCMP Capital's interests in OCO, CCMP Capital is an indirect recipient of portions of management fees and performance fees received by OCO in relation to sub-advisory services provided by OCO to Octagon.

As discussed in Item 5, CCMP Capital may receive fees for the managerial and other management services that it or its related persons provide to certain portfolio companies in CCMP Clients. This represents a potential conflict of interest to the extent the CCMP Client has or will have control of significant influence over such portfolio companies, although this potential conflict of interest is mitigated by the fact that the amount of such fees is typically negotiated with the applicable portfolio company's management team and/or any roll-over equity holders, as well as by the management fee offset provisions described above in Item 5.

#### **ITEM 15: CUSTODY**

An affiliate of CCMP Capital serves as general partner of the CCMP Advised Funds. Consequently, CCMP Capital is deemed to have "custody" over the CCMP Advised Funds within the meaning of Rule 206(4)-2 under the Advisers Act. To comply with this Rule, CCMP Capital provides each investor in a CCMP Advised Fund audited financial statements within 120 days following its fiscal year end. Investors should review these audited financial statements carefully. If you have invested in the CCMP Advised Funds and have not received audited financial statements timely, please contact us immediately.

CCMP Capital may also be deemed to have custody over the CCMP Sub-Advised Funds (together with J.P. Morgan Partners or one of its affiliates) to the extent that CCMP Capital is able to direct the movement of assets that are held in custody for the benefit of the CCMP Sub-Advised Funds. Investors in a CCMP Sub-Advised Fund generally receive audited financial statements from J.P. Morgan Partners or one of its affiliates within 120 days following its fiscal year end.

## **ITEM 16: INVESTMENT DISCRETION**

As discussed in Item 4 – *Advisory Business*, CCMP Capital generally provides advisory services on a discretionary basis to the CCMP Advised Funds. The limits upon CCMP Capital’s investment discretion are established through negotiations with the investors in the CCMP Advised Funds, and are ultimately reflected in the governing documents (such as the limited partnership agreement or side letter agreements) for each CCMP Advised Fund. These limits are negotiated on a case by case basis and may vary from fund to fund.

## **ITEM 17: VOTING CLIENT SECURITIES**

CCMP Capital has adopted written proxy voting policies and procedures as required by Rule 206(4)-6 under the Advisers Act. Under these policies and procedures, CCMP Capital will vote proxies in the best economic interests of its clients.<sup>1</sup> These policies and procedures also include how CCMP Capital seeks to address material conflicts that may arise between its interests and those of its clients. The following is a brief summary of CCMP Capital’s proxy voting procedures and guidelines.

All proxy materials received by CCMP Capital for CCMP Clients are forwarded to CCMP Capital’s Chief Financial Officer or designee. The proxy information is recorded onto a proxy log, including the name of the issuer to which the proxy materials relate, the shareholder meeting date, voting number of shares, date voted, and the means of vote (*i.e.*, mail/electronic), including a brief description of the matter voted on, whether the matter was proposed by the issuer or security holder, how the vote was cast and whether a material conflict of interest was presented.

For publicly traded portfolio companies of a CCMP Sub-Advised Fund, the Chief Financial Officer or designee will forward the proxy materials to and obtain the consent from the CEO of CCMP Capital and from J.P. Morgan Partners. A record of the consent from both J.P. Morgan Partners and CCMP Capital is retained by the Chief Financial Officer and CCMP Compliance.

It is CCMP Capital’s policy to vote all proxies in the best interests of CCMP Capital’s clients pursuant to the goals of the client’s investment strategy, which is generally to achieve significant capital appreciation. CCMP will follow the procedures set forth below in order to ensure that proxies are voted in the best economic interests of CCMP Capital’s clients.

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<sup>1</sup> For purposes of this section, references to “proxies” and “proxy voting” refer to those situations where CCMP Capital receives on behalf of its clients a proxy statement from a public company in which a client of CCMP Capital holds a non-controlling interest. CCMP Capital’s proxy voting policies and procedures are not intended to govern situations where CCMP Capital, or a CCMP Capital representative who is a member of the board of directors of a portfolio company, is required to make decisions concerning the affairs of any other portfolio company. In those cases, the CCMP Capital, or the CCMP representative (as applicable), will exercise decision making authority consistent with applicable fiduciary duties. See Item 10, above.

CCMP Capital shall generally vote proxies in favor of: (1) management's recommendation for the election of the board of directors; (2) the selection of independent auditors; and (3) the approval of the financial statements as presented by management.

Prior to exercising voting authority on any other matter, the Chief Financial Officer or designee shall review the proxy materials and share them with the CEO and Investment Committee member of the relevant deal team, which may be the CEO, who will undertake a reasonable investigation to determine whether any of the matters to be voted on present a material conflict of interest between CCMP Capital and the interests of its clients and in conducting its investigation, will be sensitive to the possibility for conflicts of interest between CCMP Capital and its clients and portfolio company shareholders when a CCMP Capital representative sits on the board of directors of the portfolio company that is the subject of a proxy.

Where it is determined that a material conflict of interest may exist, in voting the proxy, CCMP Capital shall take reasonable steps to ensure that the conflict does not influence the decision to vote in a manner that is not in the best interests of CCMP Capital's clients. These steps may include, but are not limited to any one or a combination of the following: (1) consult with CCMP Capital's General Counsel, Chief Compliance Officer, or outside counsel to determine how to vote in a manner that will be in the best interests of CCMP Capital's clients; and (2) provide disclosure of the conflict to a representative group of investors in a CCMP Client (*i.e.*, an advisory committee) and obtain its consent to vote.

CCMP shall make and maintain a record describing any steps taken to prevent a potential material conflict of interest from causing a proxy to be voted in a manner that is not in the best economic interest of CCMP Capital's clients. Where it is determined that no material conflict of interest exists, the matter shall be analyzed based on its specific facts and circumstances and the proxy shall be voted in the best interests of CCMP Capital's clients.

Clients of CCMP Capital, as well as investors in CCMP Clients, may obtain (1) information about how CCMP Capital voted proxies on their behalf and (2) a copy of CCMP Capital's proxy voting policy and procedures, by contacting Investor Relations, at:

CCMP Capital Advisors, LLC  
Attn: Investor Relations  
245 Park Avenue, 16th Floor  
New York, New York 10167  
(212) 600-9689  
[Investor.relations@ccmpcapital.com](mailto:Investor.relations@ccmpcapital.com)

## **ITEM 18: FINANCIAL INFORMATION**

Not Applicable