

**INVESTMENT ADVISER BROCHURE  
PART 2A OF FORM ADV**

**BISON CAPITAL ASSET MANAGEMENT, LLC**

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**March 29, 2024**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Bison Capital Asset Management, LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (310) 260-6572. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

The Management Company is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding the Management Company is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES**

Since the last version of this Brochure dated March 30, 2023, the Brochure has been revised to update the description of the advisory business of Bison (as defined below).

## TABLE OF CONTENTS

	<u>Page</u>
<b>Material Changes .....</b>	<b>ii</b>
<b>Advisory Business .....</b>	<b>2</b>
<b>Fees and Compensation.....</b>	<b>3</b>
<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>10</b>
<b>Types of Clients .....</b>	<b>10</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>11</b>
<b>Disciplinary Information.....</b>	<b>40</b>
<b>Other Financial Industry Activities and Affiliations.....</b>	<b>40</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>40</b>
<b>Brokerage Practices .....</b>	<b>41</b>
<b>Review of Accounts .....</b>	<b>42</b>
<b>Client Referrals and Other Compensation.....</b>	<b>43</b>
<b>Custody .....</b>	<b>43</b>
<b>Investment Discretion .....</b>	<b>43</b>
<b>Voting Client Securities .....</b>	<b>44</b>
<b>Financial Information.....</b>	<b>44</b>

## ADVISORY BUSINESS

Bison Capital Asset Management, LLC (the “**Management Company**”), the registered investment adviser, is a Delaware limited liability company. The Management Company commenced operations in January 2003. The following investment advisers are affiliated with the Management Company:

- Bison Capital Partners IV GP, L.P. (“**Fund IV GP**”)
- Bison Capital Partners V GP, L.P. (“**Fund V GP**”)
- Bison Capital Partners VI GP, L.P. (“**Fund VI GP**”)

(each, a “**General Partner**” and collectively, together with any future affiliated general partner entities, the “**General Partners**,” and together with the Management Company and their affiliated entities, “**Bison**”)

Each General Partner listed above is subject to the Advisers Act pursuant to and in reliance upon the Management Company’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner, which operate as a single advisory business together with the Management Company.

Bison provides discretionary investment advisory services to its clients, which consist of private investment-related funds. Bison’s clients include the following (each, a “**Fund**,” and, collectively, together with any future private investment fund to which Bison provides investment advisory services, “**Funds**”):

- Bison Capital Partners IV, L.P. (“**Fund IV**”)
- Bison Capital Partners V, L.P. (“**Fund V**”)
- Bison Capital Partners V-A, L.P. (“**Fund V-A**”)
- Bison Capital Partners VI, L.P. (“**Fund VI**”)
- Bison Capital Partners VI-A, L.P. (“**Fund VI-A**”)

Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. The Funds are expected to invest through negotiated transactions in operating companies, generally referred to herein as “portfolio companies.” Bison’s investment advisory services to Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and ultimately selling such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted in certain instances. Where such investments consist of portfolio companies, the senior principals or other personnel of Bison generally serve on the boards of directors (or other governing bodies) of such portfolio companies held by the Funds or otherwise act to influence control over management of portfolio companies.

Bison's advisory services for each Fund are detailed in the applicable offering memorandum (each, a "**Memorandum**") and investment management agreement (each, a "**Management Agreement**"), limited partnership agreement (each, a "**Limited Partnership Agreement**") and/or limited liability company agreement (the "**Limited Liability Company Agreement**," and together with the Memorandum, Management Agreement and Limited Partnership Agreement, as applicable, the "**Governing Documents**") of the Funds, and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in Funds (generally referred to herein as "investors," "partners" or "limited partners") participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Bison and any investor. The Funds or Bison are permitted to enter into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing a Fund's Governing Documents, including provisions relating to the Management Fee (as defined below) and distributions.

As of December 31, 2023, Bison managed approximately \$887,945,647 in client assets on a discretionary basis.

The Management Company is principally owned by Douglas B. Trussler, Peter S. Macdonald, Yee-Ping Chu, Lou N. Caballero, Andreas T. Hildebrand and Kurt Pilecki.

## **FEES AND COMPENSATION**

The following is a general description of fees, compensation, and expenses of the Funds. Differences exist from Fund to Fund, and certain Funds may not charge certain fees, compensation, or expenses that other Funds charge. The Governing Documents of the Funds describe fees, compensation and expenses in greater detail.

With respect to the Funds, each General Partner generally receives a management fee and a carried interest in connection with the provision of advisory services to its clients. The General Partners or other Bison entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation may offset in whole or in part the Management Fees (as defined below) and carried interest otherwise payable to Bison, as described in the Governing Documents. Investors in the Funds also bear certain fund expenses, as described below.

### **Management Fees**

Generally, a Fund during its investment period will pay the applicable General Partner a management fee (the "**Management Fee**") between 1.5% and 2% on an annual basis of aggregate Partnership investor capital commitments. Payment of the Management Fee will be made quarterly in advance. Generally, investors participating in a closing after the initial closing of a Fund bear the Management Fee from the date of the initial closing or other effective date, as applicable, of such Fund, plus interest, as applicable. The Management Fee may be reduced upon the expiration of the investment period or earlier upon the occurrence of certain other

events as described in the applicable Governing Documents. The Management Fee generally will be payable until proceeds from all portfolio investments are disposed and/or distributed or until the General Partner's relationship with the applicable Fund is terminated for other reasons (as described in the Governing Documents). Installments of the Management Fee payable for any period other than a full Management Fee determination period are adjusted on *pro rata* basis according to the actual number of days in such period. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

The Management Fee generally will be reduced by, or the applicable Fund will be reimbursed to the extent of, all or a portion of the directors' fees, financial consulting fees, advisory fees, transaction fees, break-up fees and certain other fees paid by portfolio companies to a General Partner, the Management Company or certain of their affiliates ("**Supplemental Fees**"). To the extent that such an offset credit would reduce the Management Fee for a given Management Fee determination period below zero, the credit generally will be carried forward for future application against payable Management Fees. To the extent that any other Fund or other entity (including a parallel investment vehicle) or individual co-invests (or commits to co-invest) alongside a Fund in any portfolio company investment, any Supplemental Fees generally will be allocated among the Fund and the other investors in proportion to the cost of the investment or potential investment in the portfolio company held (or committed to be held) by each. Accordingly, a Fund will, in most cases, only benefit from the Management Fee reduction described above with respect to the relevant portion of any such Supplemental Fee and not the portion of any fee allocable to any other investor (which could include co-investment vehicles managed by the Management Company) in a portfolio company. The value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management are not treated as Supplemental Fees and therefore do not offset or reduce the Management Fee. Supplemental Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services, and to the extent Supplemental Fees are paid in kind (including through securities, option grants or other interests), the Management Company is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Unless otherwise agreed with investors, Supplemental Fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Supplemental Fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent a former Management Company employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. Conversely, in the event that the Management Company employs a person that previously received compensation from a portfolio company,

limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with the Management Company, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. Each of the foregoing conditions is expected to reduce the amount of Supplemental Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to the Management Company over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for the Management Company to seek to increase such amounts.

Bison and/or its affiliates generally have discretion over whether to charge transaction fees or certain other fees to a portfolio company and, if so, the fee rate or amount. The receipt of such fees may give rise to conflicts of interest between the Funds, on the one hand, and Bison and/or its affiliates on the other hand. Portfolio company-related fees may include amounts prepaid in anticipation of future services or otherwise accelerated, which may be offset against the applicable Management Fee as set forth in the relevant Limited Partnership Agreement.

As permitted under the Governing Documents for certain Funds, as applicable, the relevant General Partner may waive a portion of the Management Fee in exchange for a reduction in the General Partner's capital contribution obligation to such Fund and/or a corresponding interest in such Fund's profits. The investors in a Fund may be required to make a *pro rata* contribution according to their respective capital commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver as described above and, as a result, the exercise of such waiver would likely result in an acceleration of investor capital contributions. Waived Management Fees are not subject to the Management Fee offsets described above and, accordingly, may delay the Management Fee offsets as further described in the applicable Governing Documents.

### **Carried Interest**

Each General Partner generally is entitled to a carried interest with respect to the relevant Fund of up to 20% of all realized profits (in certain cases subject to a specified annually compounded preferred return with a related General Partner catch-up provision), as more fully described in the Governing Documents. The carried interest distributed to a General Partner is subject to a potential clawback or giveback at the end of the life of a Fund if the relevant General Partner has received excess cumulative distributions. In certain circumstances and for certain Funds, a portion of the carried interest otherwise payable to the relevant General Partner may be shared with one or more investors in the Fund (either directly or through a reduction of amounts otherwise distributable to the General Partner with respect to such investor), as more fully described in the applicable Governing Document.

### **Other Information**

Bison generally has the right to exempt certain investors in certain Funds from payment of all or a portion of Management Fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption investment, through a separate class of ownership interests of a given Fund (*e.g.*, "special limited partner" interests), or by allowing such investors to invest through other vehicles which co-invest with the relevant investor's Fund.

For example, in instances where a Bison professional or its affiliate invests in a Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and/or carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Limited Partnership Agreement, certain General Partners have the right to permit investors, affiliated with the General Partner or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former personnel of Bison generally receive salaries and other compensation derived from, and in certain cases including a portion of the Management Fee, carried interest or other compensation received by the General Partner.

In addition to the Management Fee and carried interest payable to the General Partners, each Fund bears certain expenses. Each Fund generally will pay all other fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, subsidiaries, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases and/or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, the Management Company, the General Partner or any "affiliated partner" on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services (including any depository or local paying agent appointed pursuant to the Alternative Investment Fund Managers Directive or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction, or expenses of a Swiss representative, paying agent and/or local ombudsman appointed pursuant to the Swiss Collective Investment Scheme Act (as amended), including any related law, rule or regulation relating to the implementation thereof); (vi) legal, accounting, research (including expert consultants, research reports, subscriptions to research services, research calls and meetings and research or industry conferences), auditing,



administration (including fees and expenses associated with compliance with any anti-money laundering laws and regulations and any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to consultants performing investment initiatives and other similar consultants), recruiting (including executive recruiters for portfolio companies and any costs associated with recruiting, including headhunter fees, background checks or relocation expenses), tax, information technology and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) insurance (including directors and officers liability, fidelity bond, cyber security, portfolio company management liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles and broker fees, costs and commissions) and the costs of any consultants or other advisors utilized in the procurement, review and analysis of insurance policies; (ix) filing, title, transfer, survey, registration and other similar fees and expenses; (x) printing, communications, mailing, courier, marketing, advertising and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms, other communications with Partners or any other administrative, compliance or regulatory filings or reports (including Form PF, Bureau of Economic Analysis Reports and any filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation and including any secondary legislation, regulations, rules and/or associated guidance, and any related requirements), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) compliance with any financial account reporting regime applicable to the Fund, any alternative investment vehicle and/or the General Partner, including the “Foreign Account Tax Compliance Act” or “FATCA” and the OECD Standard for Automatic Exchange of Financial Account Information - Common Reporting Standard, Foreign Account Reporting Requirements and any similar laws, rules or regulations, and any fees, costs and expenses of any third-party services providers and professionals related to the foregoing, (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or its limited partners; (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data (including any costs and expenses incurred in connection with compliance with the General Data Protection Regulation (EU 2016/679) (as amended) and the Freedom of Information Act, 5 U.S.C. § 552); (xv) to the extent provided in the Limited Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Fund’s advisory board (including any costs and expenses incurred by representatives of the General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (xvi) indemnification obligations (including legal and any other fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the Limited Partnership Agreement or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Limited Partnership Agreement), except as otherwise set forth in the Limited Partnership Agreement; (xvii) actual, threatened or otherwise anticipated litigation,

mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xviii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference, meeting or webcast with any limited partner(s) and any periodic executive forum of portfolio company management and other persons, in each case to the extent incurred by the Fund, the General Partner or any other affiliate of the General Partner; (xix) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense (including organizational expenses) if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any structuring or restructuring of the Fund and any legal entities owned directly or indirectly by the Fund, including portfolio companies and related entities; (xx) the termination, liquidation, winding up or dissolution of the Fund; (xxi) defaults by partners in the payment of any capital contributions; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner and related entities, any entities owned directly or indirectly by the Fund, including portfolio companies and related entities, and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxiii) (A) compliance with any law, rule, regulation, policy directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider fees, costs and expenses related thereto, any regulatory expenses of the General Partner incurred in connection with the operation of the Fund and any costs and expenses related to compliance with any environmental, social or governance investment considerations and policies of the General Partner and/or the Fund and/or (B) any costs and expenses related to the validation of any payments made to the Fund or the General Partner in connection with any voluntary or compulsory review (including as a result of any anti-money laundering laws, rules or regulations); (xxiv) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Limited Partnership Agreement; (xxv) any third-party experts, including independent appraisers, engaged by the General Partner in connection with the Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same entity as one or more investment vehicles (other than the Fund) sponsored, managed or controlled by the General Partner or any of its affiliates; (xxvi) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner or any limited partner's name change, internal restructuring or change in registered agent or custodian; (xxvii) any taxes, fees and other governmental charges levied against the Fund and/or any alternative investment vehicle and all expenses incurred in connection with any tax audit, inquiry, investigation, settlement or review of the Fund and/or any alternative investment vehicle (except to the extent that the Fund is reimbursed therefor by a reimbursing Partner pursuant to the Limited Partnership Agreement) and any costs and expenses of or related to the "partnership representative" and any "designated individual" of the Fund;

(xxviii) distributions to the partners and other expenses associated with the acquisition, holding and disposition of the Fund's investments, including extraordinary expenses; (xxix) compliance or regulatory matters related to the Fund, except as set forth in the Limited Partnership Agreement, including compliance with the Limited Partnership Agreement and/or any letter agreement; (xxx) amendments to, and waivers, consents or approvals pursuant to, side letters and similar agreements with limited partners and "most-favored-nations" election processes in connection therewith; (xxxi) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxii) all costs and expenses associated with operating a feeder fund which invests all or substantially all of its assets in the Fund, including all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such feeder fund's financial statements, tax returns and feeder fund limited partner reports, but not including any income based or similar taxes, fees or other governmental charges levied against such feeder fund; (xxxiii) any of the items listed above relating to any investment, restructuring, taking public or private, disposition or other opportunity not consummated, including any opportunity offered to co-investors; (xxxiv) any organizational expenses; (xxxv) any placement fees; and (xxxvi) any other fees, costs, expenses, liabilities or obligations approved by the advisory board of the Fund.

Except where the relevant Governing Documents or side letter(s) expressly provide to the contrary, broken deal expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the Management Company and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Brokerage fees may be incurred in accordance with the practices set forth in "Brokerage Practices." To the extent holding or intermediate entities include one or more special purpose acquisition companies ("SPACs"), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to Bison and its personnel. The General Partner reserves the right to agree with operating partners, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an

arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in side letters relating thereto. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under "Fees and Compensation," each General Partner generally receives a carried interest allocation on certain realized profits in the relevant Funds. A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the funds it manages. Bison currently only advises Funds that are subject to a carried interest, although the General Partners may exempt certain investors from all or a portion of a Fund's carried interest, as described under "Fees and Compensation." See "Methods of Analysis, Investment Strategies and Risk of Loss," for further discussion of conflicts of interest.

Additionally, to the extent that Bison personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. Bison seeks to address the potential for conflicts of interest in these matters with allocation policies and practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Bison or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the General Partners to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such arrangement, although Bison generally considers performance-based compensation to better align its interests with those of its investors.

### **TYPES OF CLIENTS**

Bison provides investment advice to Funds. Funds may include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, family offices pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of Bison and its affiliates and members of their families, service providers retained by Bison or a Fund, as well as executives of portfolio companies.

Substantially all of the interests of each of Fund I and Fund II-B are held by a single third-party investor.

The Funds generally have a minimum investment amount of \$5 million for third-party investors. Generally, investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act of 1940, as amended. The General Partners may waive such minimum investment amounts and qualification requirements.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

Bison generally targets successful businesses that require capital for growth initiatives such as capacity expansion, new product introduction, investment in sales and marketing, or for other accretive purposes, such as financing an acquisition. Bison has historically avoided deals where the primary use of proceeds is to cash out existing management / owners and focuses on situations where its investments can help create value.

The following is a summary of the investment strategies and methods of analysis generally employed by Bison on behalf of the Funds. *There can be no assurance that Bison will achieve the investment objectives of the Funds and a loss of investment is possible.*

### **Investment and Operating Strategy**

Bison’s “Structured Capital” approach to investing seeks to combine the contractual yield and risk mitigation features of debt and preferred stock with the upside potential of growth equity by employing hybrid investment structures that capture both sets of attributes. Bison believes this approach allows it to participate in the significant capital appreciation potential of lower middle-market growth companies while mitigating downside risk. Bison typically invests in the following security types: convertible preferred stock, participating preferred stock, convertible debt, debt with warrants, subordinated debt and common equity, often used in combination with each other. Each Bison investment is a bespoke capital solution, reflecting the attributes of each portfolio company as well as the specific needs and objectives of the entrepreneurs and management teams with which Bison has partnered.

However, almost all of Bison’s investments to date have shared the following characteristics: (i) equity participation sufficient to drive potential risk-adjusted returns which Bison compared favorably relative to traditional private equity and mezzanine investment strategies, (ii) a preferred position in the capital structure, (iii) contractual yield or minimum return resulting from interest, dividends or a liquidation preference, (iv) an significant “equity cushion” beneath Bison’s securities, and (v) perceived modest use of third-party leverage senior to Bison’s securities. Bison’s equity participation is typically achieved through the convertibility features of debt or preferred stock securities, or through warrants and other forms of equity participation, as opposed to buying common equity at the bottom of the capital structure. A key element of Bison’s strategy is to make investments where the proceeds are primarily going to

fund accretive purposes, including growth capital, strategic M&A, and debt paydown / balance sheet restructuring.

*Sourcing Capabilities.* Bison believes its broad network of longstanding relationships, well-established reputation, and differentiated Structured Capital approach facilitate the origination of attractive investment opportunities outside of traditional auction processes. Bison maintains an extensive network of operating executives, advisors, lawyers, accountants, regional lenders, small brokers and intermediaries. Collectively, Bison's partners have significant experience in sourcing lower middle market transactions and have built origination relationships with a wide range of professionals and institutions. As one of a small number of investment firms focused exclusively on providing Structured Capital solutions to companies in the lower middle market, Bison believes it has developed a reputation as a trusted source of flexible and creative capital solutions for entrepreneurially owned and managed companies.

*Underwriting and Approval Process.* Given Bison's focus on structured transactions and risk-adjusted returns, the firm's due diligence combines a "top down credit analysis" with a "bottoms up equity analysis" seeking to ensure that the investment has an appropriate combination of equity upside, minimum returns and downside protection. This approach focuses on gaining a strong understanding of the growth and profitability prospects of the company, positioning within its industry, as well as assessing potential outcomes in a downside scenario. Bison's investments typically utilize a combination of the following rights and controls, though there can be no assurance that any or all of these rights will be present in any investment: Board seats, consent rights on key issues, springing board control upon events of default, maintenance covenants and other performance features, restrictions on certain activities (e.g., distributions, debt incurrence and capex), put rights, rights to force a sale of the company and a leadership role in the exit process.

*Monitoring & Mitigating Risk.* Bison continuously monitors the critical success factors of each of its investments, typically using Bison's underwriting as the benchmark against which performance is evaluated. Bison also typically establishes reporting from its investments that focuses on key business metrics, financial controls, and external benchmarking as a means of assessing progress. These analyses often originate during Bison's due diligence process and are adopted by company management. Additionally, Bison prepares formal portfolio reports that are discussed by the firm's partners on a quarterly basis. Bison's investments typically include protective provisions that provide Bison remedies in the event of company underperformance or non-compliance with agreed upon operating covenants.

## **Risks of Investment**

The Funds and their investors bear the risk of loss that Bison's investment strategy entails. Although the following risk factors are generally applicable to Bison's Funds, investors should also refer to each Fund's Memorandum for risk factors specific to their Fund. The risks involved with Bison's investment strategy and an investment in the Funds include, but are not limited to:

*Business Risks.* Each Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to

predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Future and Past Performance.* The performance of Bison's prior investments is not necessarily indicative of a Fund's future results. While Bison intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that positive returns will be achieved. On any given investment, loss of principal is possible.

*Leveraged Nature of Investments.* The portfolio companies in which a Fund invests may be highly leveraged, thereby increasing the degree of credit risk inherent in each investment. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs or to pay principal and interest on a Fund's investments when due. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates. A Fund's investments may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured and bear floating interest rates. In the event any portfolio company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, the companies and securities in which a Fund will invest generally will not be rated by a credit rating agency.

The cost and availability of leverage is highly dependent on the state of the broader credit markets, which may be impacted by regulatory restrictions and guidelines and which are difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage.

*Concentration of Investments.* The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or industries may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

*Lack of Sufficient Investment Opportunities.* The business of identifying and structuring private equity and mezzanine transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, investors will be required to pay annual Management Fees during the investment period based on the entire amount of their commitments and other expenses as set forth in the Limited Partnership Agreement.

*Dynamic Investment Strategy.* While each General Partner generally intends to seek attractive returns for a Fund primarily through making Structured Capital investments as described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process and

investment techniques as it determines appropriate. A General Partner is permitted to pursue investments outside of the industries and sectors in which Bison principals have previously made investments or have internal operational experience.

*Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which a Fund intends to invest, including various segments of the healthcare industry, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests. By way of example, the healthcare industry has been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industry are introduced from time to time, which, if adopted, could have a significant impact on such industry in general and/or on companies in which the Fund may invest.

*Illiquidity; Lack of Current Distributions.* An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. For certain investments, the return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the annual Management Fee payable to the applicable General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded commitments.

*Leveraged Investments.* A Fund is permitted to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis, including in respect of companies not rated by credit agencies. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by the Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The use of leverage by portfolio companies imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will also increase the exposure of the Fund's investments to any



deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of invested capital in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. The Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other investment funds and entities managed by the Management Company or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent the Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

*Subscription Lines.* A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Fund's governing documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to such Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as, in applicable Funds, during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees in certain Funds are incurred whether an investment is financed through capital calls or borrowings, and such Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause such Funds to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor its investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and its limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms

that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Bison for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

*Investment- and Intermediate Entity-Level Borrowing.* Under the Governing Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent

necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a substantial number of the Funds' investments, and hence, most of the Funds' investments will be difficult to value. Certain investments may be distributed in kind to the investors, and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such investors. After a distribution of securities is made to the investors, many investors may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such investors may be lower than the value of such securities determined pursuant to the Limited Partnership Agreement, including the value used to determine the amount of carried interest available to the General Partner with respect to such investment.

*Reliance on the General Partner and Portfolio Company Management.* Control over the operation of the Funds will be vested with the General Partner, and a Fund's future profitability will depend largely upon the business and investment acumen of Bison. The loss or reduction of service of one or more of the principals of Bison could have an adverse effect on the Fund's ability to realize its investment objectives. In addition, the Bison principals currently, and expect to in the future, manage multiple Funds and the Bison principals are likely to need to devote substantial amounts of their time to the investment activities of such Funds, which have the potential to pose conflicts of interest in the allocation of the time of the Bison principals. Limited partners generally have no right or power to take part in the management of any Fund, and as a result, the investment performance of a Fund will depend on the actions of the relevant General Partner. In addition, certain changes in such General Partner or circumstances relating to such General Partner potentially will have an adverse effect on the Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the General Partners will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although each Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund's objectives.

*Projections.* Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon information received from the company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Public Health Emergencies.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and Bison may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

*Conflicting Investor Interests.* Limited partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, a General Partner generally will consider the investment and tax

objectives of the Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of a Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Bison and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Bison and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

*Limited Access to Information.* Limited partners' rights to information regarding a Fund, the relevant General Partner or Bison generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the relevant General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the General Partner's control. Decisions by such General Partner or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in the Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Bison and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on the Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state

public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and the General Partner reserves the right to withhold certain information from investors subject to such laws for reasons relating to Bison's public reputation, business strategy or other reasons.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, a Fund is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest in such portfolio company.

*Non-U.S. Investments.* The Funds are permitted to invest in portfolio companies that are organized, headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the Partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the Partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

*Non-controlling Investments.* A Fund is permitted to hold meaningful minority stakes in privately held companies. In addition, during the process of exiting investments, a Fund at times may hold minority equity stakes of any size such as might occur if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

*Public Company Holdings.* A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the a to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including Bison principals, and increased costs associated with each of the aforementioned risks.

*Director Liability.* In certain circumstances, a Fund is expected to receive the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability.

*Uncertain Economic, Social, and Political Environment.* Consumer, corporate, and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity, and/or military conflicts, localized or global financial crises, or other sources of political, social, or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional, or global health crises including, but not limited to, the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19 (Coronavirus). Such health crises could exacerbate political, social, and economic risks previously mentioned, and result in significant breakdowns, delays, and other disruptions to important global, local, and regional supply chains affected, with potential corresponding results on the operating performance of affected portfolio companies. A climate of uncertainty, including the contagion of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the contagion of infectious viruses or diseases, or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

*International Conflicts.* Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory



frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

*Market Conditions.* Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in public markets and by market events, which can impact the public market comparable earnings multiples used to value privately held portfolio companies. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Following the onset of the recent credit crisis, the rate of future investment by funds has slowed and may continue to do so as the pricing of new transactions adjusts to reflect the current economic uncertainty and the lack of credit in the markets. Holding periods are also likely to be longer as the rate of realizations slows in light of the deterioration in market conditions for initial public offerings and a decline in mergers and acquisitions activity. The value of publicly traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of the credit crisis may also affect a Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments. In addition, there have been some recent indications of exuberance returning to the financing markets, which could have the impact of lowering returns on investments and the need for market participants to take greater risk in order to be competitive.

*Material, Non-Public Information; Other Regulatory Restrictions.* As a result of the operations of Bison and its affiliates, Bison frequently comes into possession of confidential or material non-public information. Therefore, Bison and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Bison's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Bison or the funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Bison's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Bison or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

*Sanctioned Investors.* If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a “**Sanctions List**”), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a “freeze” on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund's activities, could materially and adversely affect the Funds.

*Valuation of Investments.* Generally, the relevant General Partner will determine the value of all the Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of the Fund's investments because, among other things, the securities of portfolio companies held by the Fund generally will be illiquid and not quoted on any exchange. When estimating fair value of all the Fund's investments that are not readily marketable, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities. There can be no assurance that the General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information or valuations provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the General Partner with respect to an investment will represent the value realized by the Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the Fund's investment portfolios and risks, and may also affect the diversification and management of the Fund's portfolio of investments. The exercise of discretion in valuation by the General Partner also gives rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries such as the food services and retail industries. To the extent that a portfolio company, Fund, General Partner, Bison or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses

may occur in the form of stolen, lost or corrupted (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Bison, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Bison's, the General Partners', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Bison or one of its service providers holding its financial or investor data, Bison, its affiliates or the Funds may also be at risk of loss.

*Environmental, Social and Governance ("ESG") Matters.* Bison maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that Bison will be able successfully to implement its ESG policy while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Bison, or any judgment exercised by Bison, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what ESG characteristics mean by region, industry and topic, as well as the interpretations of their scope and materiality. Bison's interpretations and decisions are expected to differ from others' views and could also evolve over time. In addition, in evaluating an investment, Bison expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Bison to incorrectly assess a company's ESG practices and/or related risks and opportunities. Bison does not intend independently to verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on Bison's view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policies. For avoidance of doubt, however, Bison does not expect to subordinate a Fund's

investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Bison's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Bison's ESG policies could become subject to additional regulation in the future, and Bison cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

*Secondaries and other General Partner-Led Transactions.* There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and Bison reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by Bison following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Bison believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Bison and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio company, and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Bison or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Bison or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Bison, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. To the extent Bison requires existing limited partners and/or new buyers to commit capital to a continuation fund or

another Fund managed by Bison in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Bison reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Bison will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Bison reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. Bison is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

*Social Media and Publicity Risk.* The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Bison, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Bison, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance

Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

## **Conflicts of Interest**

Bison and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, management and other services to Funds and portfolio companies. Bison will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Bison conducting its activities, the interests of a Fund likely will conflict with the interests of Bison, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Bison will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a Fund, the principals of Bison will pursue all appropriate investment opportunities exclusively through such Fund, subject to certain limited exceptions, as described in the applicable Governing Documents. However, Bison principals currently, and expect in the future to, manage several other investment funds and investments similar to those in which the Funds invest, and is likely to direct certain relevant investment opportunities to those investment funds and investments. Bison personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Bison's investment staff will continue to manage and monitor such investment funds and investments. Bison's significant investment in a Fund, as well as Bison's interest in the carried interest with respect to such Fund, operate to align, to some extent, the interest of Bison with the interest of the investors in such Fund, although Bison principals are likely to have economic interests in such other investment funds and investments as well and receive Management Fees and carried interests relating to such interests. Such other investment funds and investments that Bison may control may compete with a Fund or companies acquired by such Fund. Following the investment period of a Fund, Bison likely will focus its investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Bison's sole discretion, Bison and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Bison personnel are permitted to serve on boards or act in other roles unaffiliated with Bison, the Funds or their portfolio companies, including

boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

Bison expects to be presented with certain investment opportunities that would be suitable for more than one of the Funds and/or other investment vehicles operated by advisory affiliates of Bison. In determining which investment vehicles should participate in such investment opportunities, Bison and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Bison attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Bison's advisory affiliates to investors in investment vehicles managed by them. Investments by more than one Fund in a portfolio company may also raise the risk of using assets of a Fund to support positions taken by Funds of Bison. When and to the extent that personnel and related persons of Bison and its affiliates make capital investments in or alongside certain Funds, Bison and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed. To determine whether which Funds or other investment vehicles sponsored by Bison will participate in the relevant investment opportunity, the General Partner generally assesses whether an investment opportunity is appropriate for each relevant vehicle based on the terms of such vehicle's governing documents, as well as factors including but not limited to: each vehicle's investment restrictions and objectives (including those set forth in the relevant vehicle's governing documents, where applicable), strategy, risk profile, time horizon, tax considerations, applicable legal and regulatory restrictions and structure. The relevant General Partner will determine the allocation of investment opportunities among Bison-sponsored vehicles in a manner that it believes is fair and equitable consistent with the relevant General Partner's obligations and takes into consideration factors such as those set forth above. During the period that a portfolio company is owned by a Fund, it could become a suitable investment for one or more other Funds due to size, revenue or other characteristics. In the event that the available amount of an investment opportunity in which the Fund will invest exceeds an amount appropriate for the Fund, such excess potentially will also be offered to one or more potential investors.

Bison's allocation of investment opportunities among the persons and in the manner discussed herein often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While Bison will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which expects to be subject, discussed herein, did not exist.

The relevant General Partner is permitted, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons, including vendors and service providers, in each case on terms to be determined by such General Partner in its sole discretion. Although Bison generally views co-investors as beneficial to a Fund, as they can enable the Fund to complete sizable transactions that the Fund may not

otherwise have the opportunity to pursue, conflicts of interest have the potential to arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which are permitted be made to one or more persons for any number of reasons as determined by the relevant General Partner in its sole discretion, will not necessarily be in the best interests of the relevant Fund or any individual limited partner. In exercising its sole discretion in connection with such co-investment opportunities, the relevant General Partner is permitted consider some or all of a wide range of factors, including knowledge and experience in financial and business matters necessary to make the investor capable of evaluating the merits and risks of the prospective investment, expertise in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory and/or securities law considerations (e.g., qualified purchaser or qualified institutional buyer status); and other appropriate factors. Although the relevant General Partner's primary objective when selecting co-investor(s) is to maximize the probability of the co-investor completing the investment (if the relevant Fund obtains the investment opportunity) and having co-investors that the General Partner believes are most likely to add-value to the company being invested in and the people involved, the General Partner is also permitted to consider factors that benefit the General Partner such as the likelihood that an investor will invest in a future fund sponsored by the General Partner or its affiliates.

Furthermore, the relevant General Partner or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Funds generally are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. 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 at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, the Fund may in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that the Fund's return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Bison expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior



to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

Bison's exercise of discretion in allocating investment opportunities may, and often will, result in disproportionate allocations among investors that have expressed interest in co-investment opportunities, and such allocations will likely be more or less advantageous to some such investors relative to other such investors. Co-investment opportunities may, and typically will, be offered to some and not to other Bison investors.

Additionally, conflicts of interest can arise if a Fund makes an investment in a portfolio company in which an investment is made by another investment vehicle sponsored by Bison. For instance, the Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment vehicle. This is likely to result in differences in price, investment terms, leverage and associated costs between the Fund and any other investing vehicle sponsored by Bison. There can be no assurance that the Fund and the other investing vehicle(s) will exit the investment at the same time or on the same terms, and there can be no assurance that the Fund's return on such an investment will be the same as the returns achieved by any other investment vehicle participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

Such conflicts will be exacerbated when the Fund and other investment vehicles sponsored by Bison invest in different levels of the capital structure of the applicable portfolio company. For example, it is possible that the Fund will hold senior equity and junior debt securities of a portfolio company while another Bison-sponsored fund holds more junior securities of the same portfolio company. In such circumstances, questions may arise subsequently as to whether payment obligations and covenants, if present, should be enforced, modified or waived, or whether senior equity and junior debt securities should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to the Fund and other Bison-sponsored vehicles that have invested in different securities within the same portfolio company. Given the nature of such conflicts and applicable legal constraints (including bankruptcy laws), there can be no assurance that any such conflict will be resolved in

a manner that proves to be beneficial to the Fund. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Bison-sponsored funds (including the Fund) may or may not provide such additional capital, and if provided, each fund generally will supply such additional capital in such amounts, if any, as determined by Bison in its sole discretion. Because of the different legal rights associated with different tranches of the capital structure of the same portfolio company, Bison will face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of the Fund versus the other Bison-sponsored fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

In addition, where the Fund and other Bison-sponsored investment vehicles invest in different parts of the capital structure of a particular company, their respective interests potentially will diverge significantly in the case of financial distress of the company. If such other investors have the potential to incur a loss on their investment as a result of such difficulties, Bison's ability to recommend actions in the best interests of the Fund likely will be impacted. For example, if additional financing is necessary as a result of financial difficulties, it will not necessarily be in the best interests of the Fund to provide such additional financing. Similarly, in the event a portfolio company enters bankruptcy, it potentially will be in the best interest of the Fund which holds senior equity and/or junior debt securities to aggressively pursue the company's assets to fully satisfy the company's obligations and/or indebtedness to such Fund. As a result, the other investment vehicles sponsored by the General Partner or an affiliate holding more junior securities of the same portfolio company might not have access to sufficient assets of the company to completely satisfy its bankruptcy claim against the company and potentially will suffer a loss. Because of the potential harm to such investment vehicle's holdings, however, the relevant General Partner, the Bison principals or one or more of their respective affiliates (including, for this purpose, investment professionals and other personnel) potentially would be disinclined to pursue the company's assets (or to pursue them as aggressively as might otherwise be the case) as a result of their conflicting interests in such other investment vehicles sponsored by the General Partner or an affiliate. Conversely, the foregoing entities or persons are incentivized to make riskier or more speculative investment decisions on behalf of the applicable investment fund with the hopes of extracting value from junior securities that are otherwise significantly impaired, to the detriment of the holdings of the Fund. Other conflicts will potentially arise in cases where a Bison-sponsored vehicle desires optimal flexibility to grow a portfolio company, while another Fund and the other debt investors would potentially want to place tighter restrictions on the type and the amounts of such portfolio company's permitted investments and acquisitions.

Bison expects to be presented with opportunities to seek financing and other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in the lending business or other businesses, respectively. This has the potential to subject Bison to conflicts of interest, because although Bison selects lending and other service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of a Fund, Bison may have an incentive to pursue financing opportunities with certain limited partners because of its financial or other business interest, including a limited partner's historical or potential future relationship with Bison and Fund investments made or to be made by a limited partner.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions will generally be made by Bison or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Bison. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

Because each General Partner's carried interest is based on a percentage of net realized profits of a Fund, it may create an incentive for Bison to cause such Fund to make riskier or more speculative investments than would otherwise be the case. However, Bison believes that the carried interest does not create a conflict of interest with respect to the Funds and instead operates to align the interests of Bison with that of the Funds.

As a result of the Funds' controlling and non-controlling interests in portfolio companies, Bison and/or its affiliates typically have the right to appoint board members (including current or former General Partner personnel or persons serving at their request), to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable to Bison and/or its affiliates, and, except to the extent such amounts are subject to the Limited Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. Bison and/or its affiliates also are permitted to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Bison and/or its affiliates. In addition, portfolio companies are expected to pay certain fees to third party consultants (including consultants introduced or arranged by Bison and/or its affiliates that may regularly provide services to one or more portfolio companies), and such fees will not offset the Management Fee as described herein. Any of these situations subjects Bison and/or its affiliates to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse Bison or service providers retained at Bison's discretion for expenses (including without limitation travel expenses) incurred by Bison or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Bison personnel. This subjects Bison and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to applicable Governing Documents and its internal reimbursement policies and practices, Bison determines the amount of these reimbursements for such services in

its own discretion. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, any fee paid or expense reimbursed to Bison or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by Bison, are reimbursed by a Fund and/or its portfolio companies, Bison may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Former personnel or executives of Bison are expected to serve in significant management roles at portfolio companies or service providers recommended by Bison. Similarly, Bison and/or its personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Bison and/or its affiliates and/or the Funds or other investment vehicles they advise. Bison expects to have a conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to the Fund or a portfolio company owned by the Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds Bison advises, will provide Bison information about markets and industries in which Bison operates (or is contemplating operations) or will provide other services that are beneficial to Bison. Bison expects to have a conflict of interest in making such recommendations, in that Bison has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the Fund and other funds and investment vehicles that Bison advises, while the products or services recommended may not necessarily be the best available to a Fund or the portfolio companies held by a Fund.

Over the life of the Funds, Bison generally expects to exercise its discretion to recommend to the Funds or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) Bison or a related person of Bison (which is permitted to include other portfolio companies of the Fund or other investment funds sponsored by Bison) and at rates determined or substantively influenced by Bison; (ii) an entity with which Bison or its affiliates or current or former personnel has a relationship or from which such person derive a financial or other benefit; or (iii) a limited partner (or a limited partner of another Fund) or its affiliates. This subjects Bison to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, Bison has a potential incentive to recommend the related or other person because of its financial or business interest. Additionally, there is a possibility that Bison, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Bison or one or more Funds), would favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. Additionally, Bison expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these

persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to Bison or any Fund to provide services that will be the most beneficial to any limited partner. Whether or not Bison has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Bison, the Funds and their portfolio companies are likely to retain other companies and individuals (“**Special Consultants**”), which can include affiliates of the relevant General Partner, employees of such affiliates, portfolio companies of funds managed by Bison, third party consultants (including individual consultants and external executives), “operating partners,” “strategic partners,” “executive partners” or “senior advisors.” The Special Consultants are typically engaged to provide services to, or in connection with, a Fund in relation to its activities or one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies (“**Services**”).

Subject to the applicable Limited Partnership Agreement, fees and expenses associated with the Services (collectively “**Consulting Fees and Expenses**”), typically are permitted to be paid and/or reimbursed by applicable portfolio companies and/or the relevant Fund, and such Consulting Fees and Expenses do not offset the Management Fee. Special Consultants are expected to include former personnel of Bison or certain portfolio companies, and in some circumstances former Special Consultants are expected to become Bison personnel or personnel of portfolio companies. Consequently, the determination of whether individuals are Special Consultants is expected to vary and/or be revisited, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that Bison otherwise would be required to bear. The use of Special Consultants is expected to fluctuate and/or expand over time. Consulting Fees and Expenses, at the discretion of the relevant General Partner taking into account the particular Services, will potentially include a profits or equity interest in a portfolio company or other incentive-based compensation to the Special Consultant, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Special Consultant, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, a flat-fee basis, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. While equity or profits interest arrangements could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits or equity interest generally would have a dilutive impact on the relevant Fund’s investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation. To the extent that Special Consultants are paid retainers or guaranteed minimum compensation amounts for services rendered on behalf of Bison generally and/or its portfolio companies, there is the possibility that Fund portfolio companies or the Fund itself will bear a greater share of such compensation due to the utilization of the Special Consultants’ services at a time when fewer portfolio companies or funds of Bison generally make use of such Special Consultants. Under many of these arrangements, including where Special Consultants are paid a flat fee, there can be no assurance

that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Special Consultant.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Bison deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, the relevant Fund will not benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Except to the extent prohibited by the Governing Documents, Bison and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-"assignment" provisions of the Advisers Act, Bison and its personnel are also permitted to offer, restructure and monetize interests in Bison.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Bison may not otherwise have done so.

The Governing Documents provide the General Partner with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the General Partners' compensation. In making such determinations, the General Partners are subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the General Partners or their affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The General Partners expect to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are investments that have not been realized or written down, permanently written down, or completely written off for U.S. federal income tax purposes (such investments, "**Impaired Value Investments**")) in order to receive greater

ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, the General Partners will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the General Partners are incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

The General Partners' wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the General Partners' compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the General Partners intend to operate in accordance with the Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Since the General Partners are permitted to retain certain fees (as described under "Fees and Compensation") in connection with Fund investments, Bison could have a conflict of interest in connection with approving transactions and setting such compensation. In many cases, such fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. Bison manages such conflicts by offsetting the Management Fee by a specified percentage of such fees and by a General Partner's interest in the carried interest of a Fund. In addition, the potential

conflict is further mitigated by the fact that such fees generally are negotiated with the applicable portfolio company's management team.

In connection with its services to the Funds and their investments, the Management Company, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Management Company's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Management Company and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Bison Information**"). In many cases, Bison Information will include tools, procedures and resources developed by Bison to organize or systematize Bison Information for ongoing or future use. Although Bison expects its Funds and their portfolio companies generally to benefit from Bison's possession of Bison Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Bison and its personnel) and not by the Fund or portfolio company from which Bison Information was originally received. Bison Information will be the sole intellectual property of the Management Company and solely for the use of Bison. the Management Company reserves the right to use, share, license, sell or monetize Bison Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

Bison and/or its affiliates reserve the right to enter into side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Bison's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, liquidity or transfer rights confidentiality protections and disclosure rights and modification of default remedies, as well as economic procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's Governing Documents.

Bison is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Bison, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Bison, its affiliates and personnel, or the Funds. Further, side letter arrangements are also expected to relate to strategic relationships under which an investor agrees to make capital commitments to



multiple Funds. Except in the circumstances and on the timing required by the Governing Documents, other investors will not receive copies of side letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the Management Company, the relevant General Partner, or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letter arrangements. Side Letters subject Bison to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligation, the aggregate returns realized by participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although Bison believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, the Management Company will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by Bison are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in Bison's insurance coverage are higher or lower than that set forth in the Governing Documents.

Any of these situations subjects Bison and/or its affiliates to potential conflicts of interest. Bison attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Bison's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Bison will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Bison consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund and such other investment vehicles.

### **DISCIPLINARY INFORMATION**

Bison and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As described under "Advisory Business" above, the Management Company is affiliated with the General Partners, which are subject to the Advisers Act pursuant to and in reliance upon the Management Company's registration in accordance with SEC guidance. The General Partners operate as a single advisory business together with the Management Company and serve as general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Bison has adopted a Bison Code of Ethics and Securities Trading Policy (the "**Code**"), which sets forth standards of conduct that are expected of Bison principals and personnel and addresses certain conflicts that may arise from personal securities trading. The Code requires Bison personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any initial public offering or limited offering; and
- comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to the Bison Chief Compliance Officer at (310) 260-6572. Personal securities transactions by Bison personnel are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

Bison and its affiliated persons may come into possession of material, non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Bison and its affiliated persons

would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Bison.

Accordingly, should Bison or any of its affiliated persons come into possession of material non-public or other confidential information with respect to any public company, Bison would be prohibited from communicating such information to clients, and Bison will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Bison personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals and employees of Bison and its affiliates expect to directly or indirectly own an interest in the Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the Funds. Bison may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in portfolio companies or otherwise to have priority in co-investment opportunities.

The Funds may invest together with other Funds advised by an affiliated adviser of Bison in the manner set forth in the Governing Documents. Bison will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the underlying documents for the relevant Fund and the Bison investment allocation policy.

Bison and its affiliates, principals and personnel carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, and for family members, friends or others who do not invest in the Funds, as well as give advice and recommend securities to vehicles that may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

#### **BROKERAGE PRACTICES**

Bison focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Bison reserves the right to distribute securities to investors in the Funds or sell such securities, including by using a broker-dealer, if a public trading market exists. Although Bison does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

If Bison sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Bison. In such event, Bison will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Bison reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

Bison has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Bison generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Bison seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Bison generally does not make use of such services at the current time. As a general matter, research provided by these brokers would be used to service all of Bison’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Bison, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

To the extent that Bison allocates brokerage business on the basis of research services, it expects to have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds’ interest in receiving most favorable execution.

Bison does not anticipate engaging in significant public securities transactions; however, to the extent that Bison engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for any Funds are completed independently, Bison also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. Bison is permitted, but not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs.

When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Funds over time.

## **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Bison closely monitors companies in which the Funds invest, and the

Chief Compliance Officer periodically checks to confirm that each Fund is managed in accordance with its stated objectives.

Bison will generally provide to its investors (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each investor's U.S. tax returns, and (iv) descriptive investment information for each portfolio company periodically.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

As discussed in the "Fees and Compensation" section, Bison is permitted to receive certain fees from a Fund's portfolio companies. As described in the applicable Fund's Governing Documents, this compensation will, in certain circumstances, offset all or a portion of the Management Fees paid by the Fund. However, in other circumstances, these fees would be in addition to Management Fees.

Bison reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in a Fund. Any fees payable to any such placement agents generally will be borne by Bison directly or indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

#### **CUSTODY**

Bison generally expects that it will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2 (the "**Custody Rule**")) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the following qualified custodians:

- J.P. Morgan Chase, 111 Pine Street, San Francisco, CA 94111
- Wells Fargo Clearing Services, LLC, 707 Wilshire Blvd, 52nd Floor Los Angeles, CA 90017

#### **INVESTMENT DISCRETION**

Bison has discretionary authority to manage investments on behalf of Fund IV, Fund V and Fund V-A, Fund VI and Fund VI-A. As a general policy, Bison does not allow clients to place limitations on this authority. Pursuant to the terms of the applicable Governing Documents, however, Bison has entered, and expects to enter, into side letter arrangements with certain investors whereby the terms applicable to such investor's investment in a Fund may be altered or varied, including, in some cases, the right to opt out of certain investments for legal, tax, regulatory or other agreed-upon reasons. Bison assumes this discretionary authority pursuant to the terms of the Governing Documents.

## **VOTING CLIENT SECURITIES**

Bison has adopted Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for a Fund’s portfolio investments. The Proxy Policy seeks to ensure that Bison votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Bison generally believes its interests are aligned with those of a Fund’s investors through the principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Bison may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board may approve Bison’s vote in a particular solicitation. Bison does not consider service on portfolio company boards by Bison personnel or Bison’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Bison when voting proxies on behalf of a Fund. If you would like a copy of Bison’s complete Proxy Policy or information regarding how Bison voted proxies for particular portfolio companies, please contact the Bison Chief Compliance Officer at (310) 260-6572, and it will be provided to you at no charge.

## **FINANCIAL INFORMATION**

Bison does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.