

CVC CREDIT PARTNERS EUROPEAN OPPORTUNITIES LIMITED

Investment Policy in place from incorporation to 2 April 2017.

Changes made to the investment policy approved by Shareholders are marked up.

Company investment objective

The Company's investment objective is to provide Shareholders with regular income returns and capital appreciation from a diversified portfolio of predominantly sub-investment grade debt instruments.

Company asset allocation

The Company's investment policy is to invest predominantly in companies domiciled, or with material operations in Western Europe across various industries. The Company's investments are focused on senior secured obligations of such companies but investments are also made across the capital structure of such borrowers.

The Company pursues its investment policy by investing net placing proceeds from share issues in the Investment Vehicle.

The investment policy of the Investment Vehicle is subject to the following limits (the "investment limits"):

- A minimum of 50 per cent. of the Investment Vehicle's gross assets will be invested in senior secured obligations (which, for the purposes of this investment limit will include cash and cash equivalents).
- A minimum of 70 per cent. of the Investment Vehicle's gross assets will be invested in obligations of companies/borrowers domiciled, or with material operations, in Western Europe.
- A maximum of 7.5 per cent. of the Investment Vehicle's gross assets will be invested at any given time in obligations of a single borrower subject to a single exception at any one time permitting investment of up to 15 per cent. in order to participate in a loan to a single borrower, provided the exposure is sold down to a maximum of 7.5 per cent. within 12 months of acquisition.
- A maximum of 7.5 per cent. of the Investment Vehicle's gross assets will be invested in credit loan obligation securities, ~~with no primary investments permitted to be made in CVC Credit Partners managed structured finance transactions.~~
- A maximum of 25 per cent. of the Investment Vehicle's gross assets will be invested in CVC Capital Portfolio Company debt obligations calculated as invested cost as a percentage of the Investment Vehicles gross assets.

The Investment Vehicle is permitted to borrow up to an amount equal to 100 per cent of the NAV of the Investment Vehicle at the time of borrowing (the "borrowing limit").

General

The investment objective and investment policy of the Investment Vehicle are consistent with the investment objective and investment policy of the Company. In the event that changes are made to the investment objective or investment policy (including the investment limits and/or the borrowing limit) the procedures set out below, in the section headed "Material changes to the investment objective and policy of the Company of the Investment Vehicle" will apply.

Company borrowing limit

The Company does not have any borrowings but may, in the future and subject to the passing of an ordinary resolution at a general meeting, borrow up to 15 per cent. of the NAV of the Company for the sole purpose of purchasing or redeeming its own shares otherwise than pursuant to Contractual Quarterly Tenders.

Material changes to the investment objective and policy of the Company or the Investment Vehicle

The Company receives periodic updates from the Investment Vehicle. Should these updates advise any changes (material or otherwise) to the Investment Vehicle's investment objective, investment policy, investment limits and/or borrowing limit then the Directors will seek Shareholder approval of any changes which are either material in

their own right or, when viewed as a whole, together with previous non-material changes, constitute a material change from the published investment objective or policy of the Company.

If Shareholders do not approve the change in investment objective or investment policy of the Company such that it is once again materially consistent with that of the Investment Vehicle (including the Investment Limits and/or the Borrowing Limit), the Directors will redeem the Company's investment in the Investment Vehicle as soon as reasonably practicable.

The Directors do not currently intend to propose any material changes to the Company's investment objective or investment policy, other than in unforeseen circumstances such as to match any changes made to the Investment Vehicle's investment objective or investment policy. As required by the Listing Rules, any material change to the investment policy of the Company would be made only with the approval of Shareholders.

Investment strategy and approach

The Company gave effect to its investment policy by subscribing for Preferred Equity Certificates, (the "PEC's"), Series 4 and 5, issued by the Investment Vehicle. Series 4 and 5 PECs are denominated in Euro and Sterling respectively and are income distributing.

The Investment Vehicle Manager's investment strategy for the Investment Vehicle is to make loan or bond investments in companies based on detailed fundamental analysis of the operations and market position of each company and its capital structure.

The Investment Vehicle invests in the debt of larger companies which offer a number of differing characteristics relative to the broader market, including but not limited to:

- (i) larger, more defensive market positions;
- (ii) access to broader management talent;
- (iii) multinational operations which may reduce individual customer, sector or geographic risk and provide diverse cashflow;
- (iv) working capital and capital expenditure which can be managed in the event of a slowdown in economic growth; and
- (v) wider access to both debt and equity capital markets.

Based on the market opportunity and relative value, the Investment Vehicle invests in a range of different credit instruments across the capital structure of target companies (including but not limited to senior secured, second lien and mezzanine loans and senior secured, unsecured and subordinated bonds).

Assets are sourced in both the new issue and secondary markets, using the sourcing networks of the Investment Vehicle Manager and CVC Group generally.

The Investment Vehicle Manager's access to deals is supported by the network of contacts and relationships of its leadership team and investment professionals, as well as the strong positioning of the CVC Group in the European leveraged finance markets.

The Investment Vehicle Manager analyses the risk of credit loss for each investment on the basis it will be held to maturity but takes an active approach to the sale of investments once the investment thesis has been realised.

The liquidity terms of the Investment Vehicle are also an important factor considered in determining the composition of the investment Portfolio.