



INVESTMENT GUIDELINES

Investment Guidelines of Spice Private Equity Ltd

1. Introduction

The investment objective of Spice Private Equity Ltd (the "Company") and its subsidiary, Spice Private Equity (Bermuda) Ltd (the "Subsidiary") (together the "Group"), is to achieve long-term capital growth for shareholders by investing directly in companies ("Direct Investments") and in private equity specialized funds ("Fund Investments"). Direct Investments and Fund Investments may include investments in private equity and private equity related instruments and opportunistically in certain categories of credit products. Investments will typically be made through the Subsidiary. Net profits generated upon realizations will typically be re-invested.

Within the limitations of the Company's purpose and investment principles as stated in its Articles of Association the Board of Directors of the Company ("BoD") may amend or supplement its investment guidelines.

2. Asset Allocation

In keeping with the Company's core investment strategy, the Group's portfolio will primarily be invested in direct investments held alone or in conjunction with other private equity investors in privately held companies or in the acquisition of shares of publicly listed companies in transactions which will normally allow for the investor group to exercise significant influence over the management of the investees. The Group may also invest by way of primary or secondary transactions in funds managed by GP Investments, Ltd. ("GP") and occasionally in funds managed by third-party managers.

The Group expects to invest significant amounts of capital in each individual transaction and will therefore be expected to sustain a higher portfolio concentration than was evident in prior years.

In the case of an investment in any blind pool fund or limited partnership of which GP or its affiliates is the General Partner, the Group's investment shall not represent more than 10% of such fund's aggregate committed capital.

Further, as long as there remains in effect an investment management agreement between GP Advisors Bermuda, Ltd. and Spice Bermuda Ltd, the Group shall not pay any additional management or performance fees to GP or affiliates of GP related to any investment made by the Group in respect of primary fund commitments where GP or an affiliate thereof also acts as the general partner or manager. Customary fees may, however, be payable in respect of secondary limited partnership interests in funds managed by GP or affiliates of GP which have been or may in the future be acquired from third parties in arm's length transactions.

3. Foreign Currencies

The net asset value per share is calculated in USD. However, as the Group's investments may partially be denominated in other currencies, the Group will be exposed to a certain degree of currency risk, which may adversely affect performance. Fluctuations in foreign currency exchange rates may affect the value of shares and/or investments of the Group. The Group may enter into currency contracts to mitigate these currency risks.