Limited Partnership Agreement — Private Equity Fund

FICTIONALISED

Principal terms (extract) · English law

A high-level, fictionalised extract of the principal terms of a Limited Partnership Agreement (LPA) for an English-law private-equity *impact* fund — the shape of the bargain between the general partner and its limited partners. It conveys the key commercial and legal points the course works with; it is not a full agreement. **No real fund, party, figure or transaction is depicted.**

01

The vehicle

Harbour Impact Fund II LP, an English limited partnership under the Limited Partnerships Act 1907, designated a private fund limited partnership (PFLP). General partner: **Harbour Impact GP LLP**; discretionary manager (FCA-authorised): **Harbour Impact Management LLP**. Limited partners are institutional investors admitted at closings.

02

Commitments & closings

Aggregate commitments up to **£250m**. First and final closings within 12 months of the first; subsequent-close LPs pay an equalisation amount plus interest, as if invested from the first closing.

03

Drawdowns & default

Capital drawn down pro rata to commitments on not less than 10 business days' notice. A defaulting LP faces interest, forfeiture or dilution of its interest, and loss of further participation.

04

Term

Ten years from final closing, extendable by up to two further one-year periods with the consent of the LP Advisory Committee or a majority of LPs.

05

Investment period

Five years from final closing. Suspended automatically on a key-person event; terminable early for cause (majority) or on a no-fault basis (75% of LPs by commitment).

06

Management fee

2.0% p.a. of aggregate commitments during the investment period; thereafter 2.0% p.a. of the acquisition cost of unrealised investments. Transaction and monitoring fees offset the management fee.

07

Carried interest & waterfall

European (whole-fund) waterfall: (i) return of drawn capital and costs; (ii) an **8% p.a. preferred return**; (iii) GP catch-up; (iv) **80/20** split thereafter. Carried interest of 20%, subject to a GP clawback backed by escrow.

08

Governance

An **LP Advisory Committee** addresses conflicts, valuations and extensions. The GP has investment discretion within the agreed policy and limits; reserved matters (amendments, term, fee, strategy) require defined LP consents.

09

Key person & GP removal

Departure of named **key persons** suspends the investment period pending a cure. The GP may be removed for cause (majority) or without fault (75%), with agreed consequences for carried interest.

10

Transfers & excuse

LP transfers require GP consent (not unreasonably withheld). Excuse and exclusion rights let an LP stand out of an investment that raises a legal, regulatory or policy conflict for it.

11

Impact terms

Binding **impact objectives and exclusions**, impact measurement and an annual impact report. Impact-linked provisions may sit in the LPA or in side letters, subject to a most-favoured-nation election.

12

Exit & distributions

Realisations are distributed through the waterfall; in-specie distributions are permitted. On expiry the GP must wind the fund down in an orderly way, with **responsible-exit** undertakings on the disposal of impact assets.

Governing law: England & Wales · disputes by arbitration (LCIA)