

# Swedish Private Equity & Venture Capital Association (SVCA)

## Code of Conduct

### *Purpose of this Code of Conduct*

#### **Section 1**

The purpose of this Code of Conduct is to ensure public confidence in that private equity firms act responsibly and professionally, and to improve knowledge of the work done by the private equity firms.

#### **Section 2**

This Code of Conduct concerns the obligation of the private equity firms to, in accordance with Section 1, act in a manner which gains society's confidence. Other norms and supervisory systems apply to private equity firms' obligations toward investors and others with whom contractual relationships have been or are about to be entered into.

### *Objectives of Private Equity Firms' Business*

#### **Section 3**

The business of private equity firms is to assist individuals and institutions when investing in unlisted companies (private equity). The objective is to develop these companies (portfolio companies) in order to create economic value that can be realized within an agreed time period by selling the portfolio company, so that investors can receive a return on their capital.

The required development of portfolio companies shall take place with a view to long-term profitability, whilst considering that it is in the interest of both investors and society in general that the portfolio companies are managed in a socially responsible manner.

### *Overall Responsibility*

#### **Section 4**

A private equity firm having a controlling interest in a portfolio company is responsible for the norms of this Code of Conduct being observed in the operations of the portfolio company.

*General Clause*

**Section 5**

A private equity firm shall, having regard to the objectives stated in Section 3, conduct itself in a manner deserving of public trust.

*Good Practice*

**Section 6**

In addition to complying with applicable legal rules, a private equity firm shall observe good practice in the societies and sectors in which it is active.

*Public Functions*

**Section 7**

A private equity firm investing in sectors of society where business is conducted on behalf of individual citizens, such as education, healthcare and personal care, shall act in accordance with generally accepted values. The rights of the concerned shall be upheld, and their interest in a safe and smoothly functioning activity shall be seen to.

*Accessibility and Transparency*

**Section 8**

A private equity firm shall actively inform about its activity in a manner accessible to the public and mass media. In this connection, it is the firm's duty to continuously consider what information is of legitimate interest, and to ensure that such information is made available.

A private equity firm shall have a website containing contact information and information on the ownership and organization of the firm. The website shall be kept up to date in accordance with what is stated in the first paragraph of this Section 8.

Inquiries from mass media and the public shall ordinarily receive prompt response.

**Section 9**

SVCA shall provide links to its member private equity firms on its website. In addition, SVCA shall maintain a directory of its members that is available to the public and mass media.

*Supervision*

**Section 10**

SVCA shall establish an independent supervisory body, to review private equity firms' compliance with the letter and spirit of this Code of Conduct.

*Translation from the Swedish original version*

SVCA's Board of Directors shall adopt an instruction regulating the organization and implementation of the supervision.

SVCA's members are obligated to submit to review by the supervisory body, and to assist it by providing information requested in accordance with the specifications in SVCA's Articles and the supervisory body's instruction.

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