MIDOCEAN RESPONSIBLE INVESTMENT POLICY

Generally

We believe that consideration of environmental, social and governance ("ESG") factors in our business decisions is essential to enhancing the long-term, sustainable performance of our portfolios. A better understanding of the emerging risks and opportunities that result from an ESG analysis, including an analysis of climate-related impacts, is a vital part of our evolution. To that end, we have integrated sustainability and responsible business considerations into our core business and into our investment selection and monitoring processes, regardless of sector or asset class.

ESG Integration and Engagement - Private Equity

ESG considerations are incorporated into our investment process from early review to exit.

During the pre-investment phase, our investment professionals conduct thorough ESG diligence of the target company to explore opportunities for growth and exposure to risks. Investment professionals must complete an ESG Checklist and Human Capital Scorecard that addresses a number of significant ESG-related vectors, including climate-related risks and opportunities. Material ESG risk that is discovered is documented and evaluated by the investment team, and an assessment is made around how to remedy the ESG risk or whether to proceed with the investment. The ESG Checklist and Human Capital Scorecard are formally integrated into final memos that are presented to the Investment Committee.

Post-acquisition, we actively engage with our portfolio companies to identify ESG opportunities and risk, and to remedy any ESG risk discovered in the diligence process. Beginning with our 100 Day Plan, we engage with portfolio company management teams to set and achieve ESG progress and targets. Engagement targets are prioritized based on the materiality of ESG factors on financial and/or operational performance, specific ESG factors with systemic influence, or potential reputational issues that present financial or reputational risk, among other areas.

We use our active ownership rights to engage with companies on behalf of our clients, and aim to improve a company's behavior on ESG issues in order to improve long-term performance of the company and ultimately the quality of investments for our clients.

Our commitment to responsible investment and to the long term sustainability of our portfolio companies is consistently communicated to Deal Teams and Management Teams, with whom we conduct regular ESG training and reviews. Additionally, progress and targets around ESG are reported by the Management Teams to the Private Equity ESG Committee on a monthly basis and to the Portfolio Company Board on a quarterly basis. These bodies exercise oversight over ESG-related risks and opportunities and ensure that the investment teams maintain their path to stated ESG goals and consider emerging ESG risk and opportunity.

Exclusions - Private Equity

We seek to invest in portfolio companies that are committed to developing sustainably. However, we will not exclude investments that fare poorly on our ESG scale, provided that the target company has a vision toward remedying material ESG issues and a willingness to set and progress toward ESG goals. In certain circumstances, we may exclude investments due to moral or ethical considerations or where exclusions are legally required or based on screening against minimum standards of business practice based on international norms.

ESG Integration - Credit

ESG risk and opportunities are considered alongside fundamental, technical and other factors in the credit selection process. To demonstrate consideration of ESG risk, all analysts are required to complete an ESG Checklist, which is formally integrated into Investment Memos. This Checklist considers a number of ESG factors, including climate impacts and the issuer's carbon footprint. Additionally, analysts are required to provide ESG ratings for their issuers, which is comprised of (1) an ESG rating provided by MSCI; and (2) the analyst's subjective ESG rating based on their knowledge of the issuer and/or the issuer's sector. Investment Memos and accompanying ESG analysis are sent to the Chief Investment Officer and Portfolio Managers in advance of Investment Committee meetings.

ESG Review – Credit

In Investment Committee meetings, ESG risk and opportunities are brought to the attention of the Chief Investment Officer and the Portfolio Managers, who are tasked with ensuring that ESG is considered in the issuer approval process. To the extent a MSCI ESG rating is available for a given issuer, an MSCI ESG Report must be circulated to the Chief Investment Officer and to Portfolio Managers in advance of the relevant Investment Committee meeting. On at least an annual basis, these ESG concepts as well as the ESG risk and opportunities of a sampling of each analyst's issuers are discussed in one-on-one Analyst ESG Reviews. Additionally, on a quarterly basis, the ESG Officer is responsible for updating the Risk Committee on ESG developments and progress.

Exclusions - Credit

We seek to avoid outright banning or excluding particular companies or sectors from the investible universe, except in specific circumstances where moral and ethical considerations are present, or where exclusions are legally required or based on screening against minimum standards of business practice based on international norms. To the extent an investor is interested in the exclusion of a particular issuer or sector, we are operationally able to do so.

Engagement – Credit

We seek to engage with issuer's management teams to identify, monitor, and manage ESG risk and opportunities. The benefits of engagement include better understanding of our issuers, better communication of our expectations to issuers' management teams, the management and mitigation of financial risks, and the maximizing of positive sustainability outcomes. This analysis also provides our issuers with the opportunity to offer clarifications on their strategy and the relationship between ESG factors, their business model, and financial performance, as well as receive early warnings on emerging risks and best practices.

Engagement is embedded in the investment process and conducted by credit analysts, and is prioritized based on size and duration of holdings, performance considerations, credit quality, degree of transparency, materiality of ESG risks and opportunities, recent downgrades, controversies or scandals that are presenting financial or reputational risk, and priority themes and trends, among other areas. Engagement may also be relevant in the underwriting process for new positions. These discussions generally consider ESG risk at the issuer, sector and geographic level.

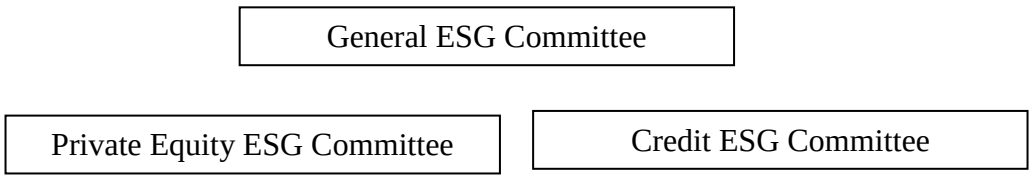
The need to influence ESG-related practices and/or improve ESG disclosure is assessed through these engagement exercises and ESG-related gaps and/or goals are communicated to Management Teams. Progress against these gaps and/or goals are tracked by the Investment Teams.

To the extent material developments are uncovered in engagement discussions, these developments may be discussed with the Chief Investment Officer and Portfolio Managers at Investment Committee meetings, to ensure such developments are incorporated into investment decisions. To the extent necessary, these developments may be escalated to the Risk Committee.

Governance

Day-to-day ESG oversight is handled by our ESG Officer, Candice Richards. Additionally, Jim Scarfone, MidOcean's Chief Human Resources Officer, coordinates MidOcean Talent, HR, and culture initiatives with portfolio companies. Both Candice and Jim report to MidOcean's Chief Operations Officer, Deborah Hodges. The Firm also maintains dedicated ESG Committees, who are responsible for defining and implementing a responsible investment strategy.

The Firm maintains an ESG Committee for each of the private equity and credit arms of the business. ESG Committee meetings, overseen by the ESG Officer, are held on a monthly basis and discuss ESG progress, risk, and targets. The ESG Officer also oversees a General ESG Committee, made up of members of senior management, which meets on a biannual basis and has an oversight and supervisory role.



These committees are responsible for driving ESG progress across the business and for ensuring that responsible investment research informs investment decisions. These Committees also discuss emerging trends, regulatory advancements and/or priorities, as well as the importance of support of international treaties such as The Paris Agreement, to play our part in creating the path to a climate neutral world. Given the complexity of climate change related impacts, our ESG Committees have focused on improving insights while developing strategies that will make our investments more resilient to a number of potential outcomes.

ESG Reporting

On a quarterly basis, Private Equity Limited Partners receive reporting which includes ESG progress, as well as information around ESG targets and broader initiatives.

On a quarterly basis, Credit Limited Partners receive sustainability reports, which include:

- MidOcean Internal ESG Rating and Performance Summary;
- MSCI and HYG Benchmarking Analysis;
- Carbon Emissions Score Summary; and
- Representative ESG Analysis.

Progress around engagement efforts and results are communicated to a number of internal committees, including the Investment Committee, ESG Committees, and the Risk Committee.

The Firm's TCFD Report is available on our website.

Responsibility

We aim to continuously improve our responsible investment platform and we encourage dialogue around how we can accommodate these issues in a manner that is consistent with its Limited Partners' and other stakeholders' ESG initiatives. If you have any questions around this policy, please do not hesitate to contact Candice Richards at crichards@midoceanpartners.com.