

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

MidOcean believes that environmental, social, and governance (“ESG”) considerations in its business decisions are essential to creating value for its shareholders and to developing a more sustainable long term strategy. MidOcean has developed an ESG Policy to provide general guidelines around these considerations.

Firm Policy Generally

Environmental Policy

MidOcean recognizes that its activities as a Firm may have an impact on the environment. MidOcean will endeavor to promote environmental awareness and improve staff education and involvement around issues affecting the environment, ensure that its business is environmentally responsible, and make efforts to improve its energy efficiency.

To address key issues of environmental concern and minimize its environmental impact, MidOcean will at the Firm-level endeavor to:

- Recycle waste and seek to reduce the production of waste;
- Raise awareness of efficiently use energy, water, manufactured products (*e.g.*, paper) and natural resources;
- Monitor electricity usage to identify energy waste;
- Increase the use of videoconferencing to minimize air travel;
- Increase the use of rail travel as opposed to air/private cars when appropriate;
- Use products that are made from sustainable sources or recycled materials or that are designed to be easy to reuse or recycle when practicable; and
- Eliminate or reduce, where possible, the use of products made from unsustainable natural resources.

Social Policy

MidOcean is committed to compliance with applicable national, state and local labor laws and maintains a safe and healthy work environment in which all individuals are treated with mutual respect and dignity. MidOcean strives to maintain an environment free of discrimination based on race, color, religion, gender, national origin, ancestry, age, disability, veteran status, marital status, sexual orientation, citizenship, or any other protected category or characteristics. This equal employment opportunity policy applies to all employment practices, including but not limited to recruiting, hiring, advertising, promotion, transfer, reductions in force, social and recreational programs, training, employee development, compensation and fringe benefits, discipline and termination.

MidOcean provides opportunities for personal development and reward and encourages positive contribution to one’s community. MidOcean encourages employees to give back to their communities both financially and with their time. Some of the ways in which businesses can positively contribute in country include: generating sustainable tax revenues, creating new jobs, providing training and education, and assisting in the development of local industry through building infrastructure and utilizing local content. MidOcean strives for its portfolio companies

to contribute positively to the communities in which they operate and will endeavor to work with its portfolio companies to create these opportunities.

Governance Policy

MidOcean is committed to incorporating ethical, responsible and rigorous decision-making and to promoting effective board composition and structures.

Shareholder Communication

MidOcean recognizes the importance of engaging and communicating with its shareholders. Building positive relationships with shareholders is critical to smart investing and creating long term value. In addition to the distribution of quarterly reports to its Limited Partners, MidOcean holds an Annual Investor Conference to engage all investors and help ensure that MidOcean's approach to investing is informed and allows for a communication of efforts as well as a demonstration of results and progress.

Anti-fraud and Anti-corruption

MidOcean maintains strict policies that prohibit bribery and other improper payments to public officials consistent with the US Foreign Corrupt Practices Act, similar laws in other countries, and the OECD Anti-Bribery Convention. MidOcean maintains a zero tolerance policy on corruption. A project with corrupt roots, without a solid, transparent and legitimate foundation, is likely to be short lived and hazardous, especially in the face of a new government hostile to agreements and made under prior administrations. Moreover, MidOcean believes that the eradication of bribery and corruption through improved governance and increased transparency will create a more fair business environment and will encourage more effective governance. Good governance is rooted in adherence to regulations and laws.

Executive remuneration

High level individuals are a vital component of success for any organization. Remuneration policies should allow the recruitment and retention of these individuals and provide appropriate incentive arrangements which reward returns for shareholders.

In considering the pay arrangements for senior executives at MidOcean portfolio companies, MidOcean is concerned with the structure of total compensation and to ensure that potential rewards are aligned with shareholder interests. While in order to hire the best individuals, its necessary for companies to pay at levels which allow them to compete in the market to recruit successful executives, unwarranted transfers of value to executives is not warranted. It follows that where individuals have failed, their continuation in the role should be reviewed, and if necessary, they should be removed.

Board Composition & Proper Risk Management

MidOcean seeks to appoint board members who are competent and have a broad range of skills, expertise, industry and other knowledge useful to the effective oversight of the relevant portfolio

company's business. Portfolio company boards will be composed of qualified directors who are sufficiently familiar with the current and emerging issues of a company's business to provide strategic guidance to the company and effectively supervise and review the performance of management, including oversight of risk management. The board of directors should be accountable to shareholders. MidOcean encourages its portfolio companies to review and consider, among other things, the strategic direction, quality of leadership and management, the internal controls and the operating performance of its companies.

ESG for Private Equity

ESG considerations are incorporated into MidOcean's investment process from early review to exit. The Firm's ESG policy is modeled on the United Nations Principles for Responsible Investing ("PRI"):

1. We will endeavor to incorporate ESG considerations into its investment analysis and decision-making processes.
2. We will endeavor to be active owners and incorporate ESG issues into our ownership policies and practices where possible.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will work to enhance our effectiveness in implementing the principles where appropriate.
5. We will report on our activities and progress towards implementing the principles.

Pre-Investment

During the pre-investment phase, our investment professionals work to conduct thorough due diligence of the target company to explore opportunities for growth and exposure to risks. Each potential private equity investment undergoes significant review by our industry teams and our most senior executives. Relevant ESG considerations are a part of this due diligence for our private equity investments.

Some of the ESG considerations in the pre-investment process include:

- Is the investment in a prohibited or controversial sector or country?
- Has ESG-relevant information been gathered through questionnaires, interviews or site visits?
- Does the proposed investment operate in accordance with local laws and international good practice?

If a material ESG consideration is discovered in the due diligence process it will be discussed and evaluated by the investment team. After challenges and opportunities are considered, the investment team will either decide not to proceed with the investment or will devise a plan of how to remedy the ESG materiality.

MidOcean seeks to invest in portfolio companies that are conscious of ESG factors and are committed to developing sustainably. MidOcean will not exclude an investment if it does not meet all requirements during the due diligence process. If the portfolio company has a vision regarding material ESG issues and has the willingness evaluate and to implement where possible

the steps for further improvement of ESG goals, MidOcean will still invest. That being said, when choosing between comparable investments, MidOcean will likely select the investment with the better ESG practices and performance.

During Investment

MidOcean aims to increase the sensitivity of its portfolio companies towards ESG considerations. MidOcean will encourage the management teams of portfolio companies to identify and raise material ESG issues to the relevant decision-makers. Where appropriate, MidOcean will assist portfolio companies in the development of action plans to adequately address the identified ESG-related risks and opportunities. Additionally, where relevant, MidOcean will invite portfolio companies to participate in its proactive ESG programs. The focus of these programs will be managing ESG risks across the platform. MidOcean will communicate to portfolio companies its commitment to responsible investment and will support its portfolio companies efforts to report on their ESG approach and on related material ESG issues.

Upon request, MidOcean will seek to disclose information sufficient to enable a potential limited partner that has expressed an interest in ESG management to:

- 1) Assess if MidOcean is aligned with the LP's ESG-related policy and investment belief;
- 2) Assess MidOcean's policies and processes for identifying ESG-related issues and risk to identify possible areas for future development;
- 3) Understand if and how MidOcean influences and supports its portfolio companies' management of ESG-related risks and pursuit of ESG related opportunities; and
- 4) Assess MidOcean's approach to managing and disclosing material incidents at MidOcean and portfolio companies.

During the life of the fund, MidOcean will seek to disclose information sufficient to enable a LP that has expressed an interest in ESG management to:

- 1) Establish if MidOcean is acting in a manner consistent with its investment policies and processes regarding ESG management;
- 2) Understand positive and negative ESG related developments that may impact portfolio companies in the fund;
- 3) Determine if responses to MidOcean and portfolio company incidents are consistent with relevant investment terms and the funds policies.

MidOcean encourages dialogue with its Limited Partners and other stakeholders on how ESG issues can be best managed. MidOcean will work with its Limited Partners to foster transparency around ESG performance.

ESG for Credit Funds

To the degree it is practicable, investment professionals incorporate ESG considerations into their investment analysis and decision-making as a matter of good investment principle, although at present the Funds do not have a specific ESG investment guideline.

The Firm educates its investment teams around the potential impact of ESG considerations when assessing the creditworthiness and general fundamentals of issuers and encourages ongoing dialogue with its current and prospective investors around sensitivities in this space.

Training

MidOcean will implement firm-wide training to ensure all Firm members are aware of this policy and investment professionals have the skills necessary to help implement this policy in their investment decisions. Through employee training, MidOcean will ensure that knowledge and messaging on ESG integration is spread throughout the workforce.

Responsibility

MidOcean aims to continuously improve its commitment to ESG issues. MidOcean encourages dialogue around how it can accommodate ESG issues in a manner that is consistent with its Limited Partners' and other stakeholders' ESG initiatives. If you have questions around our ESG policy please do not hesitate to contact Candice Richards at crichards@midoceanpartners.com.