



ANNUAL ESG REPORT

A progress report on the firm's
integration of environmental,
social, and governance issues
for our investors, portfolio
companies, and stakeholders.

NOVEMBER 2015

ABOUT OAK HILL CAPITAL PARTNERS

Oak Hill Capital Partners is a private equity firm managing funds with more than \$8 billion of initial capital commitments from leading entrepreneurs, endowments, foundations, corporations, pension funds, and global financial institutions. Since inception 29 years ago, the professionals at Oak Hill Capital and its predecessors have invested in over 70 significant private equity transactions across broad segments of the U.S. and global economies. Oak Hill Capital applies an industry-focused, theme-based approach to investing in the following sectors: Consumer, Retail & Distribution; Industrials; Media & Communications; and Services. Oak Hill Capital works actively in partnership with management to implement strategic and operational initiatives to create franchise value.

About this Report

This firm has always considered the broader environmental, social, and corporate governance (ESG) impact of our investments and activities. This

third annual report describes our most recent ESG efforts. This year, we focused on social issues, particularly human resource matters, at our portfolio companies.

This report covers the time period from August 2014 to August 2015, as well as some of our plans for the future. We value your feedback on our ESG initiatives and welcome your comments on both the report and our performance to date.

This report was prepared to summarize our ESG program only and not to summarize investment performance. With regard to our program, the information contained herein may contain estimates and forward-looking information, which is subject to uncertainty and risk factors. This report is not a solicitation related to any security offering. Any use of this report requires the express permission of Oak Hill Capital Management, LLC.

You can contact us at InvestorRelations@oakhillcapital.com.

INTEGRATION RESULTS LEADERSHIP

MEASURING OUR PROGRESS ON ESG ISSUES

Building Oak Hill Capital's ESG program over the past five years has been an exciting undertaking. We have continued to find innovative ways to improve our approach to ESG management as the needs of our funds and underlying portfolio companies have evolved.

The firm began its formal ESG efforts in 2010 by creating a partnership with the Environmental Defense Fund (EDF) that was focused on mapping potential environmental initiatives across our portfolio. The success of the EDF partnership helped us to develop the tools, resources, and organizational structure to implement those initiatives. At the same time, it provided the infrastructure to expand our program to address a broader set of ESG goals. Our primary focus this year was on social factors, particularly those that affect the employees of our portfolio companies.

We continue to measure our progress in three key areas: integration, results, and leadership. With respect to **ESG Integration**, our emphasis has been on ensuring that the firm has the resources to manage a robust program. In this report, you will find our process for integrating ESG analysis into our due diligence process. We find this process particularly valuable because ESG factors provide us with additional insight into the quality of a company's management, culture, and risk profile. You will also find our Responsible Investment Policy, an overview of our professionals' ESG responsibilities, and details on our latest firm-wide ESG training.

With respect to driving **ESG Results**, we are committed to delivering resources and sharing best practices broadly across our portfolio companies.

We are pleased to report on four professional development sessions that we offered to our portfolio companies this year. In addition, we have also continued to implement targeted ESG initiatives at selected portfolio companies with a focus on value creation.

Our commitment to **ESG Leadership**, the mission of advancing environmental and social innovation in the private equity sector, proved particularly valuable this year. We saw an increase in the number of middle market private equity firms that are adopting ESG programs. The firm continues to share its experiences publicly and believes that this practice has encouraged broader industry engagement on ESG issues.

Another important aspect of an integrated ESG program is to set an example through philanthropy and community involvement. Our professionals continued to engage with two volunteer service organizations, Student Sponsor Partners and BUILD, focused on enhancing educational opportunities for high school students in underserved communities.

We appreciate your continued support and we are excited to share our progress with you in this report.

Our primary focus this year was on social factors, particularly those that affect the employees of our portfolio companies.

INTEGRATION

OUR RESPONSIBLE INVESTMENT POLICY

In developing our current policy, we have remained true to our history while also considering a range of guidance documents, including the United Nations Principles for Responsible Investment, the United Nations Global Compact, PEGCC's Guidelines for Responsible Investment, and the Environmental Defense Fund's ESG Management Tool for private equity.

Oak Hill Capital will, in accordance with our fiduciary responsibility to our clients:

1 Identify ESG issues throughout our *due diligence process* on potential investments and refuse to invest in any business that willfully exploits underserved or underprivileged communities and/or creates significant damage to society.

2 Seek to grow and improve portfolio companies while benefiting multiple stakeholders. To that end, Oak Hill Capital will *work with portfolio companies* on environmental, health, safety, and social issues with the goal of improving performance and minimizing adverse impacts.

3 Have the *resources to achieve implementation* of the firm's ESG initiatives including:

- ESG Committee
- ESG Officer
- Continued partnership and engagement with leaders in the responsible investment movement

4 Adhere to the *highest standards* of conduct to avoid even the appearance of negligent, unfair, or improper practices. Proactively comply with applicable national, state, and local labor laws in the countries in which we invest; support the payment of competitive wages and benefits to employees; provide a safe and healthy workplace in conformance with national and local law; and, consistent with applicable law, respect the rights of employees to decide whether or not to join a union and engage in collective bargaining.

5 Respect the *human rights* of those affected by our investment activities and seek to confirm that our investments do not support companies that utilize child or forced labor or maintain discriminatory policies.

6 Regard ESG *integration as an ongoing project*. The ESG Committee and ESG Officer will review the effectiveness and implementation of the policy on a semiannual basis.

7 Ensure *all Oak Hill Capital employees* are aware of the firm's culture of social responsibility dating back to its inception and encourage them to strengthen that culture. Provide ESG training for relevant employees of the firm. Encourage all firm professionals to engage in nonprofit giving and socially responsible volunteer activities.

8 Encourage *dialogue with our Limited Partners* and other stakeholders on how we can manage ESG issues in a way that is consistent with their initiatives. Work with our Limited Partners to foster transparency with regard to our ESG performance.

9 Distribute this policy and related ESG information to all appropriate *employees of our portfolio companies*.

OUR STRUCTURE FOR ESG MANAGEMENT

ESG Committee

We hold quarterly ESG Committee meetings to discuss firm-level activities and specific initiatives within our portfolio companies. The voting members of the committee include two of our Managing Partners, J. Crandall and Steven Gruber, as well as three Partners. In an effort to keep all levels of the firm engaged in our ESG initiatives, we also have four non-voting members of the committee including Investor Relations, Legal, and junior investment professionals. The ESG Committee is chaired by the General Counsel of the firm, John Monsky.

ESG Officer

Lee Coker serves as our ESG Officer, leading our ESG diligence and working with our portfolio companies on ESG initiatives. Before working with Oak Hill Capital, Lee managed Environmental Defense Fund's (EDF) Green Returns initiative with leaders in the private equity sector, including KKR, Carlyle, and Oak Hill Capital to identify opportunities to reduce environmental impacts and to build more valuable, competitive companies. He also led the creation, development, and communications surrounding EDF's ESG Management Tool for the private equity sector.

Lee earned his M.B.A. from the University of North Carolina and his B.A. in Environmental Studies from the University of Alabama.



Principles for Responsible Investment

In 2014, Oak Hill Capital was one of the first middle market private equity firms in North America to become a signatory to the Principles for Responsible Investment (PRI). Page 15 of this report provides an executive summary of our ESG activities to date related to these principles. Please be sure to look for the firm's first annual PRI report to be published in 2016.

ESG IN THE DUE DILIGENCE PROCESS

Since the firm's inception, we have considered our potential investments with an eye toward ESG issues, and have walked away from investments that did not fit our criteria for responsibility. Over the past three years, we've embedded ESG analysis throughout our due diligence process. Every potential investment presented to our Investment Committee includes a detailed analysis of potential ESG risks and opportunities. We not only look at the company's ESG impact, but also examine the macro level ESG issues within the broader industry.

When we need additional ESG expertise, we engage our partners at BSR, a nonprofit sustainability consulting and research organization. With over

100 sustainability experts in eight offices around the world, BSR has subject matter experts to help us consider ESG risks and opportunities throughout a target company's business. In particular, we have found BSR's experts in Asia to be very helpful in assessing human rights and social compliance issues within both target companies and supply chains.

Our theme-based investing approach has allowed our ESG diligence process to continuously improve as we build more expertise in the key environmental and social issues across our investment themes. We are one of a few private equity firms in North America to implement and publicly report this type of ESG analysis.

PROCESS FOR INTEGRATING ESG IN DUE DILIGENCE

PHASE I	PHASE II	PHASE III	PRIOR TO SIGNING	CLOSING
<ul style="list-style-type: none"> ● Deal teams brief internal ESG team on potential investment. ● An initial ESG screen is applied to understand the materiality of ESG factors for the potential business. 	<ul style="list-style-type: none"> ● As needed, Oak Hill Capital engages with BSR to identify key ESG risks and opportunities in an initial report. ● Phase II presentations to the Investment Committee are required to contain an ESG assessment. ● If target is not consistent with our responsible investment policy, we reject the transaction before conducting third party diligence. 	<ul style="list-style-type: none"> ● The ESG Officer obtains answers to specific ESG related questions through meetings with management, access to company data, and discussions with external partners. ● Phase III presentations to the Investment Committee contain the necessary information to address any ESG concerns raised during Phase II. 	<ul style="list-style-type: none"> ● ESG data is compared against Oak Hill Capital's ESG policy. ● As needed, Oak Hill Capital's Investment Committee discusses material ESG issues in the final diligence meeting with the company management team. 	<ul style="list-style-type: none"> ● If the company has material environmental and/or social impacts, then 100- and 365-day management plans incorporate the necessary steps to mitigate risk and/or capitalize on the opportunity. ● The company, investment professionals, and ESG Officer will set a recurring time to discuss ESG efforts at the company.

INCREASING OUR FOCUS ON EMPLOYEES

This year, our ESG Committee turned its focus to the employees of our portfolio companies. One of our immediate goals was to develop a method to reliably measure job creation across our portfolio over time. We began by conducting a survey of our portfolio companies, collecting data on employee location, turnover rates, and new hires. Our first annual census results were promising; the total number of jobs increased by 6% with portfolio companies employing over 39,000 people by the end of 2014.*

Engaging with Experts

The U.S. landscape for employment law and human resources issues is both highly complex and constantly changing. To help our portfolio companies respond to new developments and increased legal scrutiny, we've turned to a trusted expert for advice. Gerald T. Hathaway, Esq. ("Jerry") is an employment law expert, with whom our firm has a longstanding relationship. This year, we took our focus a step further and brought Jerry into our ESG program. Jerry has begun to conduct on-site human resource audits at our portfolio companies to help those companies develop roadmaps to enhance their human resource practices.

Jerry has been recognized as one of the "Best Lawyers in America" in Labor Employment Law by Best Lawyer for the past six years (2011–2016), and has been listed in Who's Who in American Law for over 20 years.

*Job creation was measured for the 2014 calendar year across companies where Oak Hill Capital Partners II, L.P. and Oak Hill Capital Partners III, L.P. owned more than 20% of the equity as of 3/30/2015.



PORTFOLIO COMPANY EMPLOYEES BY LOCATION

TRAINING FOR ALL INVESTMENT PROFESSIONALS

At Oak Hill Capital, we think it is important for all of our investment professionals to be informed of and engaged on ESG issues. We want to be aware of potential ESG issues at our portfolio companies and able to analyze potential issues in new investments. In addition, we want to incorporate macro environmental and social trends into the firm's investment themes and sourcing activities. In fact, we've already developed investment themes around emerging issues in resource scarcity, social compliance, and worker safety. Our ESG efforts provide us with a unique point of view on these types of potential investments and also offer a beneficial selling point to management teams of potential acquisition targets. This year, we held a firm-wide training session for our investment professionals on various ESG topics. Our ESG Officer led the session, which focused on:

Environment

- **Climate change:** The science of climate change and potential impacts on the firm's core investment sectors
- **Energy and electricity:** Current U.S. trends in energy generation and pricing

Social

- **U.S. and Asian labor markets:** Discussion of current labor trends, including increasing rates of turnover, higher wages, and aging populations
- **Employee engagement:** Data on how companies perform when employees have greater levels of enthusiasm and loyalty
- **Employee retention and turnover:** Review of the Oak Hill Capital portfolio company census

Governance

- **Corporate governance:** Discussion of key issues facing public companies, including the separation of the CEO and chairman, say on pay, and staggered boards
- **Public shareholder resolutions:** Review of recent trends in shareholder resolutions, including an increased focus on climate change and political contributions

ESG INTEGRATION OBJECTIVES FOR NEXT YEAR

1. *Publicly report* to the Principles for Responsible Investment and obtain feedback on areas of potential improvement.
2. *Analyze* human resources trends in our portfolio through continued data collection.
3. *Integrate* ESG reporting into quarterly board materials for select portfolio companies.

RESULTS

IMPROVING HUMAN RESOURCE PRACTICES

Continuing our focus this year on human resources, we led two professional development webinars on the topic for our portfolio companies:

Hiring and Retaining Veterans

Oak Hill Capital has long been a supporter of American Veterans. In fact, at our last two annual meetings, our General Counsel has developed and led two historical, multimedia presentations devoted to World War II and the Vietnam War (available upon request). This year, we partnered with Value of a Veteran, a veteran-owned small business that provides human resources consulting and training for organizations that are seeking to improve support, recruitment, and retention of military veterans. This webinar focused on providing hiring managers with the resources to develop veterans hiring initiatives at our portfolio companies.

Value creation potential for portfolio companies: Veteran hiring initiatives pair skilled and able candidates with portfolio companies in need of expertise. Hiring managers, who are well-trained in understanding how a veterans' skills and experience can add value to a private enterprise, can help ensure that veterans stay engaged in the workforce and thrive in their new roles.



Employee Engagement and Retention

We worked with Berlin Packaging, the Hybrid Packaging Supplier® in which Oak Hill Capital invested last year, to design a webinar for our portfolio companies on employee engagement. Over the past 25 years, Berlin has been a true industry leader in human resources strategy. Berlin understands that an employee's enthusiasm for the workplace, belief in its mission, and willingness to take positive steps for the organization are crucial to a company's success. Accordingly, Berlin uses a "T-Chart" to define what Berlin expects of employees and what employees should expect from Berlin. The goal of this practice is to drive mutual accountability between the company and its employees. Berlin augments this approach with a company-wide process to annually review employee engagement and loyalty on a local level in all of its locations. Results from Gallup's *State of the American Workplace* shows that Berlin has two and half times more of its employees actively engaged in their work than the average American company.

Value creation potential for portfolio companies: Strong employee engagement is correlated with increased productivity, higher retention rates, and better customer relationships. This webinar allowed many of our companies to benefit from the resources and experience of an industry leader, at a time when several were developing their own employee engagement initiatives.



REDUCING RISKS THROUGH CORPORATE RESPONSIBILITY

In addition to our focus on human resource issues, we also wanted to provide our portfolio companies with tools and resources for applying the principles of corporate responsibility to customer and supplier relationships. We partnered with BSR to deliver two professional development sessions, specifically designed for our portfolio companies that provide consumer products and information technology (IT) services.

Responsible Sourcing for Retail Businesses

For our companies in the consumer sector, BSR presented on responsible sourcing of products and raw materials. BSR emphasized the importance of traceability and transparent procurement practices. The presentations included case studies from BSR's work with Fortune 500 companies and resources from industry collaborations, such as the Roundtable on Sustainable Palm Oil, that provide frameworks and certifications for responsible sourcing programs.

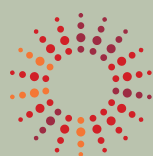
Value creation potential for portfolio companies: The consumer businesses in our portfolio, particularly SmartPak (horse supplies and equine supplements) and Earth Fare (natural foods grocer), are well known for their commitment to responsible business practices. By improving sourcing

practices, companies can reduce reputational risks while also enhancing visibility into their supply chains.

Corporate Responsibility Issues in Information Technology

BSR led a session for our portfolio companies focused on high profile IT issues, such as data privacy, electronic waste, transparency in data requests, and content restrictions. BSR drew on lessons learned from large media and communications companies to address potential risks for our companies. Additionally, BSR provided guidelines for the responsible sourcing of technology hardware and contact information for industry working groups across each issue area.

Value creation potential for portfolio companies: Companies are seeing corporate responsibility issues become increasingly important as it relates to information technology. These issues can not only impact a company's reputation but also create financial risks. This session also gave two of our portfolio companies, Pulsant (data centers) and Intermedia (hosted exchange), an opportunity to share actionable insights on data privacy and content restrictions for other members of our portfolio.



BSR®

The Business of a Better World

IMPROVING CORPORATE GOVERNANCE AT PORTFOLIO COMPANIES

Dave & Buster's Appoints a New Board Member

At Oak Hill Capital, we believe that building a board of directors with diverse perspectives is important for the growth of a portfolio company. The firm, Dave and Buster's management team, and the company's board of directors successfully took Dave & Buster's public in 2014, an important time to focus on corporate governance. We worked with the Dave & Buster's management team to appoint Patricia Mueller, an accomplished executive with a strong set of capabilities, particularly in direct marketing and social media. Patricia serves as the Chief Marketing Officer of The Home Depot and is a highly-regarded business leader with a strong history of driving results in brand development, social media marketing, and consumer insights. As Dave & Buster's continues to grow, we believe Patricia's perspective and expertise will be particularly valuable.

Berlin Packaging Expands its Human Resources Expertise

Berlin prides itself on being an industry leader in human resources strategy. We wanted to complement the existing board of directors with human resources expertise. With our help, the company appointed Dr. Jeffrey Pfeffer to the board. Dr. Pfeffer is a Professor of Organizational Behavior at Stanford University's Graduate School of Business and a renowned expert on leader-

ship and organizational effectiveness. Dr. Pfeffer has authored or co-authored 14 books and more than 150 articles, book chapters and columns, including for *Fortune, Inc., Time*, and the *Washington Post*.

As early as 1998, Dr. Pfeffer recognized Berlin as a leader in cultivating a positive corporate culture and included a Berlin case study in his book, *The Human Equation: Building Profits by Putting People First* (1998). Berlin's human resources strategy is one of the cornerstones of the company's success. We think that Dr. Pfeffer's presence on the board will help us strengthen the company's creative and energized culture as well as deepen the company's commitment to delivering the best experience in the packaging industry.

Earth Fare Hires Fresh Leadership

This year, we also drew on our deep retail sector expertise to hire a new CEO at Earth Fare, Frank Scorpiniti. Frank played a key role in our investment in Duane Reade, a leading drug store chain, where he contributed meaningfully to the company's repositioning toward health and wellness. Frank has over 30 years of experience in the retail industry and will help Earth Fare to deliver against its authentic brand values and to improve lives through healthy food. We are enthusiastic that Frank will further enable this already vibrant company to reach its full potential.





CommunityOne



ADDITIONAL ESG RESULTS AT PORTFOLIO COMPANIES

Driving Energy Efficiency at CommunityOne Bank, N.A.

Eager to continue our past success of driving energy efficiency savings at portfolio companies, we worked with the management team at CommunityOne, a community bank with 45 branches in North Carolina to identify opportunities. After conversations and data analysis, the team identified opportunities to increase efficiency at both new and existing facilities by upgrading lighting and HVAC technologies. To help implement these initiatives, we drew from our network of ESG relationships to source a dependable energy efficient lighting vendor for CommunityOne. In addition, CommunityOne is working with existing vendors to install new HVAC control systems.



CommunityOne's branch in Randleman, North Carolina

Engaging Employees at AccentCare

AccentCare® is a leading provider of post-acute health-care services throughout the country. The company operates in a sector where engaging and retaining quality talent is a key driver of financial performance. With this in mind, we hired IBM's Smarter Workforce team to measure employee engagement across four key metrics: advocacy, satisfaction, pride, and retention. AccentCare used the results to identify opportunities for enhancement. Currently, the company is improving its continuing education opportunities and career development resources, with the goal of increasing employee retention and improving recruitment.



AccentCare's Clinical Team

PORTFOLIO COMPANY OBJECTIVES FOR NEXT YEAR

1. *Engage* more functional experts at portfolio companies to provide tailored professional development opportunities.
2. *Encourage* cross-portfolio collaboration through additional portfolio wide seminars and training.
3. *Monitor* emerging ESG issues that may affect our investments.

LEADERSHIP

CONTINUING OUR COMMITMENT TO VOLUNTEER SERVICE

Throughout the year, the firm continued our service work with two volunteer programs with **Student Sponsor Partners (SSP)** in New York and **BUILD** in Menlo Park. We continue to see strong support in both time and financial contributions from all of our investment professionals as well as many members of our legal and administrative teams.

SSP is a nonprofit organization based in New York that provides underserved students with four years of college preparatory education. For 26 years, SSP has addressed the high school dropout crisis in New York City and has consistently delivered results. Each Associate has partnered with a senior investment professional to provide both mentorship and financial sponsorship to a student involved in the program. This year, with additional financial support, we were able to sponsor and mentor three additional students. The highlight of the year was when sponsors, mentors, and students attended a very memorable Yankees vs Orioles baseball game.

BUILD is a national nonprofit organization, headquartered in the Bay Area, that uses entrepreneurship to promote college readiness among underserved high school students. Over the past two years, Oak Hill Capital's Menlo Park based Associates and Vice Presidents have served as "VC Advisors" in Oakland and Redwood City, providing business advice and mentorship to nine student



BUILD participants

teams. With the financial support from all of our Menlo Park professionals we have also been able to contribute "seed capital" to each team, providing the opportunity for beta testing of the student teams' business plans. Our third consecutive year with BUILD is shaping up to be the most exciting yet. With the addition of new Oak Hill Capital investment professionals, we will be the largest set of VC Advisors throughout the Bay Area.



DRIVING CHANGE IN THE PRIVATE EQUITY SECTOR

We want to provide other middle market private equity firms with a blueprint for implementing an ESG program. We release this report, in part, to increase the number of quality ESG resources available to the public. In addition, we've also participated in the following industry events and committees:

- **Private Equity International's Responsible Investment Conference:** The firm led a panel on ESG analytical products, services, and processes that both LPs and GPs can use to measure and improve ESG performance.
- **Stanford University's Rock Center for Corporate Governance:** The firm was part of a panel discussion on key governance issues with professionals from the Securities and Exchange Commission, CalPERS, and CalSTRS. Topics included Advisers Act compliance, managing conflicts of interests, and disclosure of fees and expenses.
- **Principles for Responsible Investment DDQ Working Group:** The firm served on a working group focused on standardizing and enhancing ESG disclosures to investors in due diligence questionnaires.



LEADERSHIP INITIATIVES FOR NEXT YEAR

1. *Serve* on PRI's Private Equity Advisory Committee with the goal of further integrating ESG throughout the global private equity industry.
2. *Engage* with potential investors about our responsible investment program.
3. *Promote* PRI's new Limited Partner ESG Due Diligence Questionnaire.

Signatory of:



OAK HILL CAPITAL PARTNERS ESG SUMMARY

THE PRINCIPLES FOR RESPONSIBLE INVESTMENT	OAK HILL CAPITAL ACTIONS
PRINCIPLE 1 We will incorporate ESG issues into investment analysis and decision-making processes	<ul style="list-style-type: none">● Oak Hill Capital conducts ESG analysis throughout our due diligence process (Phase I-IV).● The firm partners with BSR, who have over 100 sustainability experts in 8 locations around the world, to research and analyze both macro and company specific issues with a focus on environmental sustainability, sourcing, and employee relations.
PRINCIPLE 2 We will be active owners and incorporate ESG issues into our ownership policies and practices	<ul style="list-style-type: none">● The firm ensures it has the resources for implementation with an ESG Officer and an ESG Committee that includes 2 Managing Partners, 3 Partners, and 4 other professionals.● Oak Hill Capital's ESG Officer works with individual deal teams and portfolio companies on improving ESG related performance. We also provide introductions to our partners and vetted vendors that can add value to our portfolio companies.
PRINCIPLE 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest	<ul style="list-style-type: none">● The firm annually collects and analyzes human resource data from each portfolio company to assess turnover rates and job creation.● Oak Hill Capital also tracks and collects selected ESG information from portfolio companies.
PRINCIPLE 4 We will promote acceptance and implementation of the Principles within the investment industry	<ul style="list-style-type: none">● The firm's ESG Officer, General Counsel, and Chief Compliance Officer all publicly speak about the firm's commitment to responsible investment.
PRINCIPLE 5 We will work together to enhance our effectiveness in implementing the Principles	<ul style="list-style-type: none">● The firm currently serves on the PRI's due diligence working group and will also join the Private Equity Advisory Committee in 2016.● In addition to being a PRI signatory, the firm has been a partner of Environmental Defense Fund (EDF) since 2011 and a member of Business for Social Responsibility (BSR) since 2012.● The firm is also a part of a North American general partner ESG working group that shares information, tools, and resources.
PRINCIPLE 6 We will each report on our activities and progress towards implementing the Principles	<ul style="list-style-type: none">● Oak Hill Capital is the only North American middle market firm to publicly release an ESG report each year. One reason we do this is to provide other firms with a blueprint to create their own programs.● The process, framework, and results of our partnership with EDF were also publicly released.● The firm's ESG initiatives have been featured by Mergers and Acquisitions, CalPERS, and Private Equity International.



MORE ABOUT OAK HILL CAPITAL PARTNERS

Family Office Heritage

Oak Hill Capital traces its roots to Robert Bass, one of the four brothers who founded Bass Brothers Enterprises in Fort Worth, Texas. In the 1980s, Robert Bass formed an independent firm to invest his capital in private equity. His goal was to build a firm that delivered strong risk-adjusted returns and fostered a culture that incorporated his philosophy of “doing well while doing good.” Partners of the firm were expected to share the principles of giving back to society and investing responsibly. In addition, Mr. Bass focused on attracting talented investment professionals who were team players that could collaborate with one another and work effectively with company management teams.

This principles-based approach proved to be a very successful strategy that led the family office to expand. From 1986 to 1998, the firm and its predecessor investment vehicles directed more than 26 transactions, representing investments of more than \$1.2 billion of equity capital. In 1999, with Mr. Bass as the lead investor, the firm launched Oak Hill Capital Partners, L.P.

Long-Term Focus

Oak Hill Capital’s unique heritage supports a culture that embraces long-term partnerships. Mr. Bass and the Oak Hill Capital team have developed a reputation as value-added, high integrity partners for entrepreneurs, management teams, and corporations. With a focus on long-term relationships and responsible stewardship, ESG principles are naturally at the firm’s roots and are considered in every transaction that the firm undertakes.

Oak Hill Capital offers strategic expertise, value-added support, and operational insight to portfolio company management teams, with a particular emphasis on:

- Developing a value creation roadmap to execute against the strategic vision
- Analyzing merger and acquisition opportunities and risks
- Providing capital support and implementing flexible financial structures
- Recruiting talented executives to augment the existing team and to help drive operational improvements
- Managing, supporting, and motivating management teams to grow the business in alignment with the strategic vision
- Optimizing value realization

Aligning Interests

Oak Hill Capital’s philosophy of aligning economic interests has been a guiding principle of our success. We partner with exceptional entrepreneurs, management teams, and corporations that share a common vision for maximizing value creation. We structure each investment to align the economic interests of all constituencies: co-owners, management teams and employees of our portfolio investments, our funds’ Limited Partners, and Oak Hill Capital’s investment professionals. This alignment extends to a mutual interest in promoting ESG principles because all parties have a stake in the reputation and success of our portfolio companies.

Important Information

This ESG Annual Report (the “Report”) is provided by Oak Hill Capital Management, LLC (together with its affiliates, “Oak Hill Capital” or “Oak Hill”) for informational purposes only and is solely intended to provide an overview of the ESG processes and initiatives of Oak Hill and certain of its portfolio companies; it is not intended to describe the performance of any investment or company. This Report should not be relied upon for any other purpose. This Report does not constitute an offer to sell, or the solicitation of an offer to buy, any security, product, or service, including interests in any investment fund managed by Oak Hill (the “Funds”). References to portfolio companies are intended to illustrate the application of Oak Hill’s ESG priorities only and should not be viewed as a recommendation of any particular security or company. Any information provided in this Report about past investments is provided solely to exemplify various aspects of previously utilized ESG processes and strategies. Any past performance information provided herein is not indicative nor a guarantee of future returns. Not all ESG metrics are applicable to Oak Hill or each company, and methodologies for measuring ESG metrics differ across industries and asset classes. While Oak Hill integrates certain ESG factors into its investment process in accordance with its ESG policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements, there is no guarantee that Oak Hill’s ESG policy will be successful or that it will create a positive ESG impact. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Oak Hill, or any judgment exercised by Oak Hill, reflects the beliefs or values of any particular person or industry participant. There are significant differences in interpretations of what positive ESG characteristics mean by region, industry and issue, and these interpretations are rapidly evolving.

The investments described in the selected case studies were not made by any single Fund or other product and do not represent all of the investments purchased or sold by any Fund or other product. It should not be assumed that investments in the securities or companies identified and discussed herein were or will be profitable. The information contained in this Report may not necessarily be complete and may change at any time without notice. Oak Hill does not have any responsibility to update this Report to account for any such changes. Certain information contained herein may be “forward-looking” in nature. Due to various risks and uncertainties, actual events or results of the actual performance of any Fund may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information, and no individual or entity should rely on such information in connection with buying or selling any securities or making or selling any investment. Forward-looking statements may be identified by the use of terminology including, but not limited to, “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue”, or “believe”, or the negatives thereof or other variations thereon or comparable terminology.

Oak Hill makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained herein, including without limitation, information obtained from portfolio companies or other third parties. Some of the information contained herein has been prepared and compiled by the applicable portfolio company and has not necessarily been reviewed or independently verified or assured by Oak Hill or any other third party. Oak Hill does not accept any responsibility for the content of such information and does not guarantee the accuracy, adequacy, or completeness of such information.



New York

65 East 55th Street
32nd Floor
New York, NY
10022

Menlo Park

2775 Sand Hill Road
Suite 220
Menlo Park, CA
94025

Stamford

One Stamford Plaza
263 Tresser Boulevard
15th Floor
Stamford, CT
06901

InvestorRelations@oakhillcapital.com