OAK HILL CAPITAL PARTNERS

ESG REPORT

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

DECEMBER 2017

Oak Hill Capital Partners

Oak Hill Capital Partners is a private equity firm managing funds with more than \$10 billion of initial capital commitments since inception from leading global endowments and foundations, public and corporate pension plans, sovereign wealth funds, insurance companies, financial institutions, consultants, and family offices. For more than 30 years, the professionals at Oak Hill and its predecessors have invested in 85 significant private equity transactions across broad segments of the U.S. and global economies. The firm applies an industryfocused, theme-based approach to investing in the following sectors: Consumer, Retail & Distribution; Industrials; Media & Communications; and Services. Oak Hill works actively in partnership with portfolio company management teams to implement strategic and operational initiatives to create franchise value.

About this Report

At Oak Hill, we believe that responsible corporate citizenship is a fundamental tenet of good investing. This fifth annual environmental, social, and corporate governance ("ESG") report describes the firm's recent efforts to integrate ESG considerations throughout our investment activities, to drive ESG results at our portfolio companies, and to advance responsible investment throughout the private equity sector.

This report covers the time period from August 2016 to August 2017. We value your feedback on our ESG initiatives and welcome your comments on both the report and our performance to date.

You may contact us at InvestorRelations@oakhillcapital.com.

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.



Accelerating Our Progress

As we reflect on the past year – a year replete with changes and challenges in almost every sphere of our society – we are struck by the enormous opportunities that exist to make a difference. In fact, we are energized to see how the broader investment community is working to address the global environmental and social challenges that society faces. Earlier this year, Goldman Sachs declared that "ESG investing has gone decisively mainstream," citing a U.S. SIF Foundation study that showed actively managed assets with ESG integration have grown at a 29% compound annual growth rate since 2010.

Since the firm's inception, we have considered the broader ESG impact of our investments and activities. The industry's heightened focus on ESG integration affirms our own focus on ESG efforts, which began formally in 2010, when the firm partnered with Environmental Defense Fund.

This year, we were able to see for ourselves that reports of increased investor interest in ESG integration are true. In July, the firm closed Oak Hill Capital Partners IV, a \$2.65 billion private equity buyout fund. We were gratified that the fund generated strong demand from institutional investors around the world, including many with a rigorous approach to ESG analysis.

Over the years, we've noted how ESG issues can affect our investment activities and how our investment activities can positively affect ESG issues. In this report, our goal is to bring to life our belief that "all investments make an impact" and highlight how we attempt to create and amplify positive impacts while reducing negative ones. We also provide an update on our actions to advance our ESG efforts in three key areas: integration, results, and leadership. **INTEGRATION:** We continued our efforts to ensure that ESG factors are ingrained in the firm's culture and investment process. In this report, you will find the firm's responsible investment policy, the process for integrating ESG analysis into our due diligence review, and details on our new partnership with the Ceres Investor Network on Climate Risk and Sustainability.

RESULTS: We worked to drive results by identifying material ESG issues, partnering with individual portfolio companies, and offering support on relevant ESG issues across the Oak Hill portfolio. This year, the report highlights four of our most recent investments, as well as the firm's efforts to provide ESG tools and resources across our entire portfolio.

LEADERSHIP: Our continued commitment to ESG leadership – the mission of advancing environmental and social innovation in the private equity sector – is also detailed in the report. This year, the firm focused on supporting organizations that promote diversity and inclusion, responsible investment, and environmental stewardship. Being a leader also means setting a positive example, which we strive to do through our community involvement and philanthropy. We experienced a particular sense of accomplishment as our professionals reached milestones in their work with high school students from underserved communities. In addition, the firm broadened its charitable giving through expanded fundraising for rare cancer research.

For all of these reasons, we are pleased with the progress achieved to date and determined to make even greater positive impacts in the coming year. We appreciate your continued partnership in these efforts and are excited to continue to share our progress with you.

The ESG Committee at Oak Hill Capital Partners

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 Environmental Defense Fund's ESG Management Tool for private equity.

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

- 1 Identify ESG issues throughout our due diligence process related to 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 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: an ESG Committee, ESG Officer and continued partnership and engagement with leaders in the responsible investment movement.

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 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.

INTEGRATION ESG Management

ESG Committee

Oak Hill's ESG Committee develops and implements the firm's ESG strategy. Each year, we hold several meetings to consider how to reduce risks and increase opportunities related to environmental, social, and governance issues across the firm and within our portfolio companies. Our ESG Committee is chaired by Partner and General Counsel John Monsky, and includes Managing Partner J. Crandall, Partners Kevin Mailender, David Scott, and John Rachwalski in addition to various investor relations, legal, and junior investment professionals.

ESG Officer

Lee Coker serves as the firm's ESG Officer, leading our ESG diligence efforts and working with portfolio companies on ESG initiatives. Before working with the firm, Lee managed Environmental Defense Fund's (EDF) Green Returns initiative, partnering with leaders in the private equity sector, including KKR, Carlyle, and Oak Hill, to identify opportunities for reducing environmental impacts and building more valuable, competitive companies.

Principles for Responsible Investment

In 2014, Oak Hill was one of the first middle market private equity firms in North America to become a signatory to the Principles for Responsible Investment (PRI). We now also serve on the PRI's Private Equity Advisory Committee.

Signatory of:



INTEGRATION Increasing Engagement on ESG Issues Across the Firm

At Oak Hill, we ensure that all of our investment professionals are engaged and informed on ESG issues. Keeping our investment teams aware of current and emerging ESG issues benefits us throughout the investment process. This year, we sought to expand our knowledge of topics covered in the firm's previous ESG trainings in two ways.

Joined the Ceres Investor Network on Climate Risk and Sustainability In July, the firm joined the Ceres Investor Network on Climate Risk and Sustainability, the leading nonprofit organization addressing investment risks and opportunities related to climate change in North America. Through this membership, we can participate in investor working groups and collaborate on ESG issues to advance leading investment practices, corporate engagement strategies, and policy solutions.

Continued partnerships with Environmental Defense Fund and BSR

We also continued our partnerships with Environmental Defense Fund and Business for Social Responsibility (BSR), whose research and counsel informed our quarterly ESG briefings for our investment professionals. The briefings, tailored to the firm's four core sectors of investment, were focused on a range of ESG issues including corporate governance, climate change, human rights, and employee engagement. In addition, Oak Hill's General Counsel and ESG Officer provided updates to the firm on the most relevant ESG topics during weekly firm-wide meetings.





Finding the ways that work



INTEGRATION ESG in Due Diligence

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 five years, we've formally integrated ESG analysis into 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.

For relevant potential transactions, we engage our partners at BSR, a nonprofit sustainability consulting and research organization, for additional expertise. 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.

We are one of a few private equity firms in North America to implement and publicly report this type of ESG analysis.



ESG Integration Process

Phase 1

Deal teams brief internal ESG team on potential investment and an initial ESG screen is applied to understand the materiality of ESG factors for the potential business.

Phase 2

As needed, Oak Hill engages with BSR to identify key ESG risks and opportunities in an initial report. Presentations to the Investment Committee are required to contain an ESG assessment. If a target is not consistent with our responsible investment policy, we reject the transaction before conducting third party diligence.

Phase 3

The ESG Officer obtains answers to specific ESG related questions through meetings with management, access to company data, and discussions with external advisors. Presentations to the Investment Committee contain the necessary information to address any ESG concerns raised during Phase 2.

Prior to Signing

ESG data is compared against Oak Hill's ESG policy. As needed, Oak Hill's Investment Committee discusses material ESG issues in the final diligence meeting with the company's management team.

Closing

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.

RESULTS The Specialty Films Industry Creates Environmental and Social Benefits...

In May of 2017, we made a new investment in Charter NEX. Headquartered in Milton, Wisconsin, Charter NEX is the leading independent manufacturer of highly engineered specialty films used in flexible packaging applications for the food, consumer, medical, and protective end markets.

We were attracted to the specialty film industry because flexible packaging films and stand-up pouches deliver solutions to some of the most important ESG issues facing the packaging industry. And, within this dynamic industry, Charter NEX stands out from its peers. Led by CEO Kathy Bolhous, the company maintains a market leadership position resulting from its continuous investments in its people, innovation, and assets.

By supporting the growth of Charter NEX and the broader specialty film industry, we intend to advance the significant environmental and social benefits that its products deliver.

Reducing the Environmental Impact of Packaging and Transport

Stand-up pouch containers for food help to scale down overall packaging size, thereby reducing the environmental impact of packaging and transport. In addition, flexible food packaging* results in less energy consumed, a lower carbon footprint, and less waste sent to landfills than competing products, according to research by the Flexible Packaging Association.

*in beverages, snacks, mailers, multi-unit packages, coffee, frozen foods, and prepared foods



Flexible Packaging Reduces Emissions

Truckloads needed to transport packaging for equal amounts of product





Flexible Packaging Uses Fewer Resources

Materials required to package 60 pounds of liquids



RESULTS

...And Charter NEX Takes Those Benefits to the Next Level

Attacking America's Food Waste Problem

In the United States, approximately 31% of the food supply is wasted each year, according to the USDA's Economic Research Service. This is equivalent to approximately 133 billion pounds of food valued at \$161 billion in 2010 alone. The use of flexible packaging can significantly reduce these losses.

Because reclosable pouches allow for multiple uses, they can help reduce the amount of food discarded. Flexible packaging also provides consumers with the ability to choose various portion sizes, which can further minimize food waste.

Perhaps most importantly, film can also significantly extend the shelf life for fresh foods, saving retailers and consumers money while also dramatically reducing food spoilage.

While these aspects of the specialty film industry are impressive, we are excited to be working with Charter NEX to generate a long-term competitive advantage by creating even larger sustainability benefits.

Flexible Packaging Reduces Food Waste

Extension of shelf life (by days)



Source: Value of Flexible Packaging in Extending Shelf Life and Reducing Food Waste Report. © 2016 Flexible Packaging Association. All rights reserved.



Creating Sustainable Products – Charter NEX's GreenArrow family of films offers the same convenience and functionality as its multiple material products, but have the added benefit of being fully recyclable. Because they are made of 100% polyethylene (PE), GreenArrow films meet the content requirements for the How2Recycle "Store Drop-Off" label and can be recycled wherever PE film recycling streams are available. Charter NEX also offers other sustainable film options including starch-based films, bio-resin containing films, and post-consumer recycled resin films.

Building a Responsible Supply Chain – As an active member of the Sustainable Packaging Coalition and AMERIPEN, the American Institute for Packaging and the Environment, Charter NEX works to foster a responsible supply chain and ensure sustainable materials management.

Reducing Energy Usage and Increasing Recycling Rates – A strong internal sustainability program has significantly improved energy efficiency and reduced waste.

Developing the Workforce – Through Charter NEX University, employees receive consistent, ongoing training. This computer-based program consists of more than 100 training modules and provides employees with a clear pathway for career advancement within the company.

In coordination with Charter NEX management and third-party consultants, we have identified an actionable set of operating initiatives including utilization improvement, scrap reduction, and pricing optimization that will advance our shared goal of increasing the positive impacts of the business. We also look forward to leveraging our contacts across the sustainability sector to further expand the impact of Charter NEX, building upon its strong corporate social responsibility foundation.

RESULTS Growing the Clean Energy Economy with EPIC Insurance



In September 2017, we invested in EPIC Insurance Brokers & Consultants, a leading retail property and casualty insurance brokerage, and employee benefits consultant. EPIC was appealing from an ESG perspective for two major reasons: its potential to further drive the transition to a clean energy economy and its outstanding corporate culture.

Insuring the Clean Energy Economy

Our experience in the clean energy sector helped us recognize a key strength of EPIC: its strong position in a unique niche that is essential to growing the renewable energy sector. EPIC's PowerGuard business is a leading worldwide provider of specialized warranty services with a focus on solar panels. PowerGuard has provided warranties for over 132 million solar panels, creating environmental and financial benefits. To date, the business and its innovative warranty product have:

- Facilitated the flow of institutional-scale capital into solar power projects by providing the additional security necessary to meet financing requirements.
- Provided solar panel manufacturers with the ability to bolster their products' lifecycle.
- Helped solar project owners and operators guarantee the efficiency of their operations.

Working with management, we look forward to leveraging our strengths and relationships to increase the impact of PowerGuard's business on the clean energy economy.

Creating a Best Place to Work

Throughout the EPIC business, management has created a valuesbased, client-focused culture that attracts and retains top talent, fosters employee satisfaction and loyalty, and sustains a high level of customer service excellence. Company culture is critical in enabling EPIC to overcome another key ESG issue for the insurance brokerage sector: the ability to attract and retain high-performing employees. EPIC has a top-quartile hiring and retention program for its brokers, and EPIC team members have consistently recognized their company as a "Best Place to Work in the Insurance Industry" across the United States. We will ensure EPIC keeps this leadership position by continuing to support and grow the company's human resource practices, which include free biometric screening, extensive professional development opportunities, and meaningful community engagement activities.



RESULTS Driving ESG Performance Alongside Checkers Management



In April 2017, we invested in Checkers Drive-In Restaurants, one of the nation's leading operators and franchisors of drive-thru hamburger quick service restaurants. Founded in 1986, Checkers has over 850 locations in 29 states and the District of Columbia. We value Checkers' ability to differentiate itself from competitors with its singular focus on delivering high-quality, "craveable" meals at exceptional values. We look forward to helping the company capitalize on these strengths and are currently partnering with management to improve two key ESG areas – food safety and the employee experience – and are pleased with the progress already achieved.

Ensuring Food Safety

We are working with Checkers to minimize food safety risk and cultivate a culture of food safety. The company employs an in-house quality and food safety resource to create and enforce stringent product specifications. In addition, Checkers engages third-party expertise including the EcoSure Food Safety and Public Health Program, which provides mandated food safety audits. Checkers utilizes a health department tracking system that can proactively identify trends and address performance. The company also engages with a third-party lab to regularly evaluate products and ensure that required specifications are in place.

Improving the Employee Experience

During our ownership period, we have supported Checkers' focus on enhancing its Employee Value Proposition. Marna Killian, a highly experienced HR executive, is helping the company combine its marketing and human resource strategies to create a stronger



employment brand. Starting with the mindset of "employee as a customer," Checkers is growing employee engagement and retention by applying the methods and tools of its industry-leading consumer insights team. The company has begun utilizing data from segmentation research, Mosaic consumer information, and focus groups to create its own unique, authentic Employee Value Proposition.

RESULTS Increasing Driver Safety with CCC Information Services



Recognizing an opportunity to enter a growing segment of the auto insurance and services industry, the firm invested in CCC Information Services, the leading solutions provider in the U.S. auto physical damage information services market. Founded in 1980, CCC provides information services and solutions that enable insurance carriers and auto repair shops to manage the claim and vehicle restoration processes. The company's extensive capabilities, developed through 30 years of proprietary claims data collection and product investment, have produced demonstrable benefits for customer experience. At the same time, CCC has improved collision repair time, accuracy, and all-in cost.

Improving Safety

While CCC's strong market position is attractive, we are especially excited by the opportunity to support the expansion of its telematics offerings, which we see as a solution to increasing the safety of drivers. Each year, one million people around the world are killed in car accidents and millions more are injured. By combining the monitoring of a vehicle's speed and location with its GPS system and on-board diagnostics, telematics technology can vastly improve driver safety.

Engaging with Drivers to Boost Environmental and Social Outcomes

Vehicle insurance companies are using CCC's telematics offerings to engage with, alert, and reward customers in ways that improve safety and reduce traffic congestion. CCC's telematics services can even help drivers boost fuel efficiency with improved trip routing, planning, and driving practices. The expected growth in the telematics market worldwide means that in the next decade, most cars on the road will be equipped with some sort of telematics technology. We will partner with CCC to serve this dynamic market.



RESULTS The Oak Hill ESG Webinar Series

In addition to working directly with individual portfolio companies on ESG initiatives, the firm also seeks to share best practices related to ESG issues across the entire portfolio of investments. This year, the firm's ESG Committee continued to focus on creating and delivering professional development opportunities that support management teams in improving employment practices at our portfolio companies. We invited all human resource professionals across our portfolio companies to join presentations that focused on the following:



Employee Retention: Why it Matters, Best Practices, and How Can Your Company Improve?

We partnered with Dr. Jeffrey Pfeffer, a professor of organizational behavior at the Stanford Graduate School of Business and author of 14 books focused on leading and managing teams. Dr. Pfeffer shared the key elements of engaging and retaining employees that he has identified during nearly 40 years of research on organizational behavior.

Diversity: From Awareness to Inclusion

To further engage our management teams on the topic of diversity and inclusion, we hosted Aditi Mohapatra, who leads BSR's global portfolio of work on women's empowerment. Ms. Mohapatra presented research showing which diversity programs generate results and highlighted the practices of corporate leaders in the field.

Professional Development and Compliance Resources for Your Organization

We invited professionals from LinkedIn Learning to discuss how their platform develops talent and improves skills with expert-led, on-demand e-learning courses for employees. In addition, we conducted due diligence and arranged for our portfolio companies to receive an overview of the Thomson Reuters WeComply platform, a customized online compliance platform that includes over 600 trainings in anti-money laundering, diversity, sensitivity, and HIPAA courses.



LEADERSHIP Advancing Responsibility in the Private Equity Industry

Cultivating Diversity

We recognize the importance of a diverse workforce and found ways to encourage and equip diverse professionals for success in the private equity industry.

- As a platinum sponsor of the 2017 Toigo Foundation Gala, we supported Toigo's efforts to prepare underrepresented professionals for leadership in the financial sector and its work with organizations to create an environment where those individuals thrive.
- The firm sponsored the fifth annual Women's Breakfast hosted by the Private Equity Human Resources Network. Several Oak Hill representatives attended and volunteered at the event.
- In collaboration with the Executive Leadership Council, the preeminent membership organization for the development of global black leaders, we considered diverse independent board candidates for Oak Hill portfolio companies.
- Oak Hill's ESG Officer attended the CalPERS & CalSTRS 2017 Diversity Forum and then presented a summary of the key issues and opportunities to the firm.

Developing Tools and Resources for Responsible Investment We see the positive impact that sharing ESG related tools and resources can have on the broader private equity industry.

- As a member of the PRI's Private Equity Advisory Committee, the firm's ESG Officer advised PRI staff in developing tools, resources, and events that promote responsible investment in private equity globally.
- Through a presentation at Private Equity International and PRI's annual Responsible Investment Forum, we described the role of ESG in the value creation toolkit.

Taking Action on Climate Change

We believe in the value of advancing clean energy not only in our investment activities, but in our own operations as well.

- We purchased Renewable Energy Certificates (RECs) for 100% of our electricity usage at all three offices. The firm partnered with Earth Day Initiative and Arcadia Power to purchase RECs that allow the tracking of renewable electricity from the source (e.g., wind turbine, solar farm) to the end user.
- These Green-e certified RECs serve as a claim on the social, environmental, and other non-power related attributes of electricity produced by renewable sources.



Signatory of:





LEADERSHIP Serving Our Communities

Oak Hill has a longstanding commitment to support the communities in which we live and work and to encourage our portfolio companies to do the same. In 2017, many of our portfolio companies were affected by significant natural disasters. We supported our portfolio companies in finding ways to help those most affected. For example, Checkers opened its Tampa headquarters to employees affected by Hurricane Irma, Berlin Packaging donated packaging materials for purified water shipments to Puerto Rico, and EPIC provided financial and volunteer support in several of its locations following Hurricanes Harvey and Irma.

"We are a community of people defined by our actions and connected through a common mission of exceptional caring. That caring starts with each other and translates to the people we serve. That mission is alive at AccentCare."

Steve Rodgers, CEO – AccentCare

One of the most inspiring responses was from AccentCare, a leading U.S. provider of post-acute healthcare services, which employs nearly 6,000 people who live and work in areas of Texas hit hardest by Hurricane Harvey. In a testament to their commitment to service, even employees who were directly impacted by the storm continued to focus on their patients in home health, hospice, and personal care services. And in the aftermath of this disaster, while trying to put their own lives back together, employees continued to make home visits to those who were counting on them.

AccentCare employees also demonstrated a spirit of mutual concern and tangible support for each other. Staff across Texas and Mississippi collected truckloads of food and supplies, which AccentCare executive leaders drove to the ten affected locations.

Oak Hill professionals supported AccentCare in the creation of a special Employee Assistance Fund for hurricane victims to provide resources to those who were affected by the storm. To date, the company has raised \$290,000. Employees donated \$60,000 and over 2,200 paid-time-off hours. In response, AccentCare made company contributions of \$80,000 and solicited support from strategic partners amounting to over \$38,000. Additionally, the company worked hard to keep people paid throughout this difficult time, providing over \$850,000 in unearned compensation to cover unavoidable work schedule disruptions.



LEADERSHIP Volunteer Efforts to Build Stronger Communities



S T U D E N T S P O N S O R P A R T N E R S





Throughout the year, the firm continued our service work with two volunteer programs, Student Sponsor Partners (SSP) in New York and BUILD in Menlo Park. With both initiatives now in their fourth year, we continue to see significant engagement in both time and financial contributions from across the firm.

Promoting College Readiness

Four years ago, each Oak Hill associate in our New York office partnered with a senior investment professional to mentor and financially sponsor a high school student to help prepare them for college. When we joined the Student Sponsor Program in 2013, the students were high school freshmen. This year, we were proud to see all ten students graduate and each one begin their freshman year at a four-year college. We have watched these young students grow personally and professionally and have high hopes for their futures.

In our Menlo Park office, associates and vice presidents have served as Venture Capital (VC) Advisors through BUILD, a national nonprofit organization that uses entrepreneurship to promote college readiness among underserved

high school students. Over the past four years, the firm's investment professionals have provided business advice and mentorship to BUILD's student teams. With financial support from all of our Menlo Park professionals, we have contributed seed capital for beta testing of each team's business plan. As the result of our growing relationship with BUILD, our team is now one of the largest groups of VC Advisors throughout the Bay Area.

Supporting Cancer Research

This year, the firm's professionals participated for the second time in "Cycle for Survival," a nationwide indoor cycling event to benefit Memorial Sloan Kettering Cancer Center for research to end rare cancers. Fourteen firm professionals participated and collectively donated more than \$25,000.

Honoring Military Veterans

With the active and continuing support of our firm, Partner and General Counsel John Monsky creates live, multimedia productions on historical topics that honor the achievements of Americans, including military veterans. Mr. Monsky's outstanding production on the Vietnam War debuted at the Oak Hill Annual Meeting in 2014 and was also performed at the New York Historical Society. In March 2018, it will be presented at Carnegie Hall in New York City as part of *"The '60s: The Years that Changed America,"* a citywide festival inspired by Pulitzer Prize-winning author and journalist Robert A. Caro. In Mr. Monsky's production, the words of Vietnam War veterans and the history of the war are brought to life through a collection of 298 Zippo lighters engraved and carried by American soldiers, rare film footage, audio including tapes of phone calls from the Johnson White House, and live performances of pop and rock music from the period.

Partnering with the Earth Day Initiative

This year, the firm and its partners provided financial and strategic support to the Earth Day Initiative, a nonprofit organization that promotes environmental awareness and solutions through partnerships with schools, community organizations, and businesses. We are particularly excited to be involved with the organization as it begins planning for the 50th anniversary of Earth Day in 2020.

More About Oak Hill Capital Partners

Family Office Heritage

Oak Hill 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 its first fund, Oak Hill Capital Partners, L.P.

Long-Term Focus

Oak Hill's unique heritage supports a culture that embraces long-term partnerships. Mr. Bass and the Oak Hill team have developed a reputation as value-added, high integrity partners for entrepreneurs, management teams, and corporations.

Aligning Interests

Oak Hill'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'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. Oak Hill 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

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 gualitative 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.

This image of Maya Lin's Vietnam War Memorial is featured in an Oak Hill sponsored production of "Vietnam at 50", further detailed on page 16.

1



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