ARCLINE

Arcline ESG Policy – Updated 11/1/2019

Philosophy:

Arcline Investment Management (Arcline) recognizes the criticality of evaluating and monitoring the Environmental, Social, and Governance (ESG) policies of companies in which we invest. Arcline has established these policies to assist our investing teams by providing a framework for evaluating ESG risks and opportunities and balancing them with our broader goals of shareholder returns. We believe that ESG policies can fuel returns when implemented correctly and be detrimental to returns when ignored. Arcline will continually update our ESG policy, as needed.

Policy:

Arcline's ESG policy reflects the Firm's commitment to considering sustainability, environmental, health, safety and social issues in its investment decisions and operations. The Arcline team leverages checklists, management team interviews, and third-party consultants, where required, to identify ESG risks and opportunities both during diligence of potential acquisitions and in ongoing portfolio company management. The team weighs ESG considerations in conjunction with other investment criteria, opportunities, and risks of portfolio companies.

Key Topics:

Arcline focuses on a series of topics, including, but not limited to:

Social:

- Compliance with all applicable social (e.g., health, safety, labor) laws and regulations.
- Refraining from employing child or forced labor.
- A safe and healthy workplace for all employees of Arcline and of the firm's portfolio companies.
- Cultivation of cultures that value diverse backgrounds, perspectives, and experiences.
- Protection and promotion of equal opportunity in hiring and advancement.
- Payment of competitive wages and benefits to employees.
- Ethical human clinical trials.
- Support and respect the protection of internationally proclaimed human rights.

Environmental:

- Conducting its business operations in an environmentally responsible manner.
- Compliance with all applicable environmental laws and regulations.
- Compliance with applicable laws and regulations related to climate change.
- Seeking opportunities to create value through sustainability initiatives.
- Refraining from producing goods for which the process results in hazardous waste that requires transportation and disposal in a manner that would materially violate locally applicable environmental laws and internationally accepted standards of environmental compliance.

Governance:

- Using governance structures that allow appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest.
- Implementation of compensation and other policies that align in the interest of owners, directors, and management.
- Prohibition of knowingly offering or giving of bribes and other improper payments to public officials to obtain an advantage in the course of business, consistent with the U.S. Foreign Corrupt Practices Act, similar laws in other countries, and the OECD Anti-Bribery Convention.
- Encouragement of the portfolio management teams to identify and raise material ESG issues to the relevant decision-makers, including, where appropriate, board-level individuals.
- Assisting portfolio companies in the development of action plans to adequately address any identified ESG-related risks and opportunities.