



**New MainStream Capital ESG Policy
Adopted February 2017**

Purpose: New MainStream Capital (“NMS”) is a private investment firm specializing in strategic equity investments of lower middle market companies in selected growth industries. We recognize the importance of environmental, social and governance (“ESG”) considerations in our investment process, and believe that effective management of ESG issues can have an impact on the value created in our portfolio investments. Furthermore, effectively engaging on ESG issues will promote good corporate citizenship, as well as being a good steward of the capital committed to us by our investors. Accordingly, NMS will assess ESG factors as part of its investment process in a manner consistent with our fiduciary obligations to act in the best financial interests of our investors. The purpose of this policy is to define NMS’s approach to integrating the consideration of ESG risks into our investments.

Scope: Following its initial adoption in 2017, this ESG policy will apply to all investments made by NMS. Additionally, as NMS grows and our work with ESG matters develops, we expect to evolve this policy with the benefit of our experience and the best practices of others.

Governance: The NMS Investment Committee will oversee the integration of the ESG policy into the firm’s investment analysis and decision making processes, and ensuring the on-going monitoring of portfolio companies where appropriate. For those companies where ESG risks and opportunities have been specifically identified, NMS will seek to incorporate ESG issues into board level considerations.

Investment Process:

Pre-Investment: NMS will incorporate ESG considerations into the diligence process for all potential investments. During due diligence, NMS will perform an initial screen to assess potential ESG risks and related value creation opportunities. Where appropriate, NMS will engage further on ESG matters, potentially through engagement of third party resources.

Post-Investment: For all companies where NMS has identified potential meaningful ESG risk and value-creation opportunities, we will seek to better understand and elevate these issues for management and/or board consideration. We will seek to manage ESG issues through a combination of participation on our portfolio company board of directors as well as ongoing monitoring of the progress at each company. In situations where NMS has significant influence, NMS will endeavor to conduct an ESG diagnostic and incorporate relevant action items from the diagnostic into the portfolio company’s business plan. At these companies, NMS will monitor ongoing progress on ESG metrics at a company level and work with company management to prioritize opportunities and mitigate any specific ESG issues that are identified.

Reporting: NMS will share this policy with all employees, and will distribute it to all portfolio companies and share with LPs as appropriate. For companies where NMS has identified a meaningful link between ESG issues and value creation, NMS will assess portfolio company ESG performance and monitor ongoing progress across such companies. We will document this information for internal use, and will refer to this data to be responsive to LP requests for ESG information.

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