



POLARIS RESPONSIBLE INVESTMENT POLICY*

1. INTRODUCTION

1.1. Background

At Polaris, it is our mission to generate return for our investors by acquiring companies, developing and improving them strategically and operationally before exit.

It is our policy to contribute to the communities, in which we work by promoting a sustainable and profitable growth in our companies. We know that environmental, social, and governance (ESG) issues must be taken into account to increase competitiveness and performance and create long-term sustainable returns.

We are a member of Invest Europe (former European Venture Capital Association, (EVCA)), and the Danish Venture Capital Association (DVCA). We comply with their codes of conduct, valuation and disclosure guidelines, and as a further commitment to our investors we have signed the United Nations Principles for Responsible Investment.

1.2. Purpose

It is the purpose of this policy to outline who is responsible for considering ESG factors, how and when we incorporate our Principles for Responsible Investment in our day-to-day operations, to lay down the ESG principles we subscribe to, and describe how we report on our activities.

1.3. Scope

Polaris applies Responsible Investment Principles across all activities from pre-study and screening through evaluation, due diligence, and valuation to active portfolio ownership.

This means, that this policy covers all our activities, and all parts of it applies to Polaris, while our portfolio companies must adhere to Sections 2.1. and 3.

2. POLARIS RESPONSIBLE INVESTMENT PROCESSES

2.1. Roles and responsibilities

Polaris strive to always follow up on relevant ESG matters that may occur, whether through the risk reporting, during self-assessments or in the course of day-to-business. To fulfil this aspiration, all members of management in Polaris and portfolio companies – whether on the Board or in executive management – and all employees in Polaris and portfolio companies are responsible for reporting ESG risks so they can be evaluated, and material ESG issues can be prevented or mitigated.

Polaris are responsible for having the necessary ESG policies and processes in place, and oversee that this policy is implemented, both when acting as investment advisors and when acting as directors on portfolio company boards.

The Boards of Directors of Polaris Portfolio Companies are responsible for complying with the standards set by Polaris, and defining Corporate Social Responsibility and Corporate Governance strategies and standards at a company level, and oversee that executive management implement these and regularly report on progress.

2.2. Investment processes

When screening for new opportunities, Polaris takes into account general, available data on ESG issues relating to the industry, market, and geography relevant to the companies that we consider as potential opportunities.

Prior to making any final positive decision to invest in a company, we perform a thorough due diligence analysis of all facts of material importance to the investment decision, and the retrieval and analysis of specific information on the company's ESG performance is an integrated part of this process.

* This Responsible Investment Policy was approved and agreed April 2016 and is under implementation for Polaris' portfolio companies. Polaris requires all new platform investments from this date to adhere to the principles set out below. The remaining portfolio companies will work towards these principles gradually

All material ESG findings, whether relating to risks or opportunities, are taken into account during pricing and valuation, and form part of our investment risk assessment and decision-making.

2.3. Active ownership practices

Polaris considers ESG factors when exercising its ownership of portfolio companies through Board of Director oversight, and by providing portfolio company management with tools, guidance, and knowledge sharing opportunities on Corporate Social Responsibility and Corporate Governance issues.

The Boards of Directors of all Portfolio Companies consider ESG performance as part of all performance reviews, and integrate ESG factors in the regular risk management cycle. Further, all Boards review Corporate Social Responsibility progress of the companies in connection with UNGC reporting (Communication on Progress).

Polaris oversees that all portfolio companies join the UNGC, perform an annual Corporate Social Responsibility self-assessment, and integrate relevant findings in the regular risk reporting of the company.

2.4. Reporting

Polaris adhere to the 'comply or explain' requirement of the DVCA Guidelines, and further reports in accordance with the UNPRI reporting structure. This means that Polaris discloses

- ★ Our policies and guidelines on CSR and Governance;
- ★ How the we translate such policies into concrete action;
- ★ An assessment of what has been achieved so far;
- ★ Our expectations for future initiatives.

All Polaris portfolio companies report on Corporate Social Responsibility in accordance with the UNGC reporting structure. This means that portfolio companies disclose

- ★ Their practical actions taken or planned to implement the Global Compact principles in each of the four issue areas (human rights, labour, environment, anti-corruption) on a report or explain basis;

- ★ An outcome measurement indicating which targets were met, or other qualitative or quantitative measurements of results.

3. PRINCIPLES

3.1. Environmental and Social Principles

Polaris supports the UNGC Ten Principles, and requires that portfolio companies join the UNGC, and apply relevant principles to significant business partners. This means that we embrace the following principles:

Human Rights

- ★ We support and respect the protection of internationally proclaimed human rights; and
- ★ We ensure that we are not complicit in human rights abuses.

Labour

- ★ We respect the freedom of association and the effective recognition of the right to collective bargaining;
- ★ We support the elimination of all forms of forced and compulsory labour;
- ★ We support the effective abolition of child labour; and
- ★ We support elimination of discrimination in respect of employment and occupation.

Environment

- ★ We support a precautionary approach to environmental challenges;
- ★ We undertake initiatives to promote greater environmental responsibility; and
- ★ We encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- ★ We work against corruption in all its forms, including extortion and bribery.

Anti-arms Production

- ★ We do not engage or invest in the production of firearms, ammunition, and explosives for military purposes.

3.2. Governance Principles

In order to increase the value of our assets, Polaris has set strict requirements to the way we and

our portfolio companies conduct our business. Polaris provides support and guidance to portfolio company management to ensure sound governance practices.

Governance and Corporate Culture

The Boards of our portfolio companies must establish policies that ensures a culture of compliance and ethical behaviour, and encourages people to report concerns.

In our portfolio companies, systems must be in place to ensure that board members are appointed based on competences and experience, that their responsibilities are clearly defined, that boards evaluate their own performance, and that conflicts of interests are avoided.

Management Systems and Transparency

The Boards of our portfolio companies must establish policies and systems that ensure board oversight with executive management, performance and remuneration reviews, compliance with books, records, and accounting standards, effective internal controls, and solid risk management processes.

Board Related Principles