In 2014, Japan's Financial Services Authority ("FSA") published the "Principles for Responsible Institutional Investors" (or the "Code") to promote the sustainable growth of companies through investment and dialogue. Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, "KKR," "the Firm," "we" or "us") is proud to endorse the FSA's effort and document how we are working to meet the principles set forth in the Code, outlined below. These principles are based on KKR's private equity investments, but can also extend in principle to other similar investments when appropriate.

Principle 1 — Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.

Since KKR's inception, one of our fundamental philosophies has been to align the interests of the Firm and our principals with the interests of our fund investors, investee companies and other stakeholders. Given this tenet, KKR is committed to partnering with and supporting its investee companies to achieve sustainable growth. To achieve this goal, constructive engagement and/or purposeful dialog is a key component in our investment process.

In particular, KKR has committed to consider key environmental, social and governance ("ESG") issues both in the pre-investment phase and in the post-investment phase of our companies because we believe that the thoughtful management of these key factors is critical to value creation and sustainable growth in the companies in which we invest. Since 2010, KKR has comprehensively outlined its efforts through the publication of an annual ESG and Citizenship report (www.kkresg.com), and in 2014 KKR published a Global Private Equity ESG Policy to help guide our decisions during the pre- and post-investment period, also available at that link.

KKR Global Public Affairs, including KKR Asia Public Affairs, works closely with regional deal team leaders to manage ESG opportunities and risks in their respective areas, and the team's evaluations are discussed with investment partners and investee company management teams where relevant.

Principle 2 — Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities, and publicly disclose it.

As KKR has expanded and continues to expand the number and scope of its businesses, the Firm increasingly confronts potential conflicts of interest relating to investment activities among its various funds and its own account. Appropriately dealing with conflicts of interest could be complex and challenging, and members of KKR acutely understand that the Firm or its team could suffer reputational damage or potential liability if it fails to deal appropriately with conflicts as they arise. Given this reality, KKR maintains a robust global policy to identify, manage and monitor conflicts of interest and ensure that decisions are taken wholly in the interests of its clients.

KKR recognizes that there may be a potential conflict of interest when voting a proxy solicited by an issuer that is an investor in a KKR Fund or with whom KKR has another business relationship that may affect how it votes the issuer's proxy. KKR has adopted policies to address these and other issues that could give rise to a conflict, including referring the matter to KKR's Compliance team to address issues raised from potential conflicts.

Principle 3 — Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

AND

Principle 4 — Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

Once an investment is made, we and KKR Capstone– an independent team of operational experts who work exclusively for KKR and its investee companies – closely monitor a company's performance with the objective of driving growth, enhancing profitability and optimizing long-term value for shareholders. In private equity, we work closely with company management teams to define strategic priorities and develop operating budgets, and we encourage our investee companies to invest in their own development to enhance future competitiveness, improve operating efficiencies, make strategic acquisitions and incentivize employees by giving them ownership in the business. This process is enhanced by the localized expertise of KKR's teams on the ground: across our seven offices in Asia Pacific, nearly all members of KKR's private equity team and members of the KKR Capstone team are local to the markets where they work. This gives team members a strong understanding of the culture, language, business environment, risks and sentiment in the markets where KKR invests.

We establish clear monitoring guidelines to measure an investee company's performance and meet with members of management to review the company's financial and operating results and strategic priorities when needed. Our investment teams and often our investment company managers appear before our portfolio management committee at regular intervals to report on their progress and discuss potential areas of concern and proposed solutions for addressing issues that may arise.

KKR also works with investee companies to reduce risk where appropriate, whether through assistance on corporate governance or the sharing of best practices. These types of initiatives may be driven in collaboration with KKR's Global Public Affairs and Legal & Compliance teams.

At our core, KKR looks to partner closely and cooperatively with management teams and entrepreneurs that have track records of success. We believe that the combination of KKR's industry knowledge, investment experience, and operational expertise provides the Firm with an edge in identifying and creating value in investment opportunities. KKR's strategy is not only to work as partners with the management of its investee companies, but also to leverage all the resources of our global platform.

Principle 5 — Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

KKR has adopted policies with respect to proxy voting, and it is the Firm's general policy to vote in the interest of maximizing shareholder value. To that end, KKR will vote in a way that we believe is consistent with our obligations to our fund or clients, and will act to either maximize the value of a relevant investment or minimize any losses as best as we can.

We will not disclose our voting activity as most of our investee companies are non-listed companies.

Principle 6 — Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

KKR communicates with clients through regular written reports and meetings, and we report to clients about our stewardship activity through those opportunities.

Principle 7 — To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge of the investee companies and their business environment, and skills and resources needed to engage appropriately with the companies and make proper judgments in fulfilling their stewardship activities.

To assist KKR in the enhancement of investee companies' performance, KKR frequently works with members of KKR Capstone to drive operational improvements. KKR Capstone professionals work closely with investment teams during due diligence to identify operational value creation opportunities and then support boards and management teams to develop 100-day value creation plans. Once the operational priorities are set, KKR Capstone teams work in partnership with management to support important changes within investee companies.

The global KKR Capstone team targets improvements across both a company's income statement and balance sheet. KKR Capstone projects are balanced between driving top-line growth, improving organizational efficiency, and optimizing capital productivity. Given the size and experience of the KKR Capstone team, it has the capability to support investee companies across a very broad range of industries and functional areas. Additionally, KKR Capstone has professionals dedicated to creating and managing cross-portfolio programs – such as a shared procurement program – that are made available to all investee companies and provide fast-acting impact.

KKR Capstone focuses on both making recommendations as well as delivering results. With a "hands on, sleeves rolled up" approach, KKR Capstone teams drive value creation initiatives from making strategy recommendations to helping with frontline implementation. To build programs that deliver long-term, sustainable improvements, the teams focus extensively with companies' management teams on capability building and skill transfer back into the investee company.

KKR has published its ESG and Citizenship report annually since 2010 to disclose its responsible investment efforts. As a signatory of the voluntary framework of the United Nations-backed Principles for Responsible Investment ("PRI"), KKR organizes its key performance indicators according to relevant PRI principles. The goals for ESG management and how we have evaluated our performance to date are found on pages 19-22 of the 2016 ESG and Citizenship Update. In developing the report, KKR referred to the Global Reporting Initiative's Technical Protocol to determine our most material issues and guide our report content.