

BARRANTAGH INVESTMENT MANAGEMENT

RESPONSIBLE INVESTMENT POLICY

BACKGROUND

Barrantagh is committed to delivering strong risk-adjusted returns to our investors through the application of rigorous security-level fundamental research. As part of this process the consideration of responsible investing principles, such as environmental, social and corporate governance factors (ESG) have always been intrinsic to our research process. ESG factors are a component of our risk assessment process during our valuation and suitability analysis undertaken before initial purchase and subsequently through the holding period. We monitor any factor that could impair valuation including negative developments on relevant ESG factors across all asset classes, regions and markets. As investors we believe in long-term value creation and that successful investing will focus on companies with well-developed ESG practices and reporting.

Examples of key issues within the ESG pillars include:

ENVIRONMENTAL

Key environmental topics include climate change (including carbon/greenhouse gas emissions), energy efficiency, pollution, water and wastewater management and land use (including biodiversity/habitat protection, site rehabilitation)

SOCIAL

Within the social pillar issues include human rights, labour standards (health & safety, gender diversity, employee engagement, child labour), consumer relations, respect for indigenous social & economic progress and community impacts.

GOVERNANCE

Primary amongst governance issues are the consideration of factors that align the interests of management with those of shareholders. Related issues may include board composition/independence, executive compensation, transparency and financial practices.

Generally, we do not exclude a potential investment on the singular basis of ESG factors (negative screening) which may serve to unduly limit our potential research universe. Similarly, we do not include an idea based on positive ESG attributes alone (positive screening). Our approach is to fully integrate an examination of ESG factors into our research and portfolio construction process and assess the materiality and potential impact on valuation.

RESPONSIBLE INVESTING GUIDELINES & INCORPORATION PROCEDURES

As a Signatory to the UN PRI Barrantagh is committed to the key principles as defined by the United Nations Principles for Responsible Investing (UNPRI) with the key elements summarized below:

- The incorporation of ESG issues into investment analysis and the investment decision-making process
- Act as active owners and incorporate ESG issues into our ownership policies and practices
- Offer appropriate disclosure on ESG issues by the entities in which we invest
- Promote the acceptance and implementation of ESG principles within the investment industry
- Strive towards the enhancement of our effectiveness in implementing the principles
- Report on our activities and progress towards implementing the principles

INVESTMENT PROCESS:

INTEGRATION OF ESG IN THE RESEARCH & PORTFOLIO CONSTRUCTION PROCESS

As long-term investors managing focused portfolios, Barrantagh's research process has always emphasized the importance of finding high quality and sustainable businesses to outperform over the cycle. It has been our experience that businesses with the strategic vision and operational capabilities to compound value creation over time are also well aligned with ESG principles. As fundamental bottom up investors an integrated approach to evaluating ESG considerations is a natural extension of our research as we weigh qualitative issues and their potential impact on valuation. While we do make use of third party ESG data (where available) in the initial phase of stock evaluation, it is in the capacity of providing high level direction for our continued research. At this stage of research overall ESG trends are examined to identify potentially deteriorating situations, or improvements in ESG scores. This also compares the time series to the company's industry peer group. Our ESG research includes the analysis of relevant newsfeeds, company produced documentation, in addition to management interviews in alignment with sector specific concerns identified by the Sustainability Accounting Standards Board (SASB). It is the responsibility of individual security analysts to present the merits of a company inclusive of ESG considerations to the broader investment team with feedback either supporting the purchase, the need for additional research, or exposing flaws in the investment thesis. Ultimately investment decisions incorporate the overall materiality of the various ESG elements to long-term performance potential.

ENGAGEMENT

Primary engagement with entities is via ongoing meetings and communications with managements/boards where we strive to share our views as investors and gain a better understanding of the company. When we have identified a company that materially lags its peer group, we would ask

for a commitment to rectify and improve the situation in question. Where a potential investment is deemed to be lacking in its ESG disclosures we would encourage improvement and in situations where we identify material negative impacts to shareholder value, we would ask for improved management of ESG factors and/or consider exiting the position. We may in our reporting efforts disclose the broader issues and company names we have engaged with a mind to balancing any confidential aspects of these conversations and the need to maintain positive future dialogue.

We anticipate the potential for collaborative engagement where it may improve the transparency with respect to ESG issues. Working with networks such as the UNPRI will provide insights and opportunities for potential collective efforts.

Proxy voting is another important element of shareholder engagement. Barrantagh has established a proxy voting policy designed to exercise votes for the economic benefit of shareholders and as such actively votes on behalf of our investors. Proxies are reviewed to identify matters that are considered 'routine' (i.e. the appointment of Auditors, etc.) and matters that are considered 'exceptional' (i.e. changes in stock option plans, implementation of poison pills, takeovers etc.). Proxies for routine matters are signed and returned to the transfer agent. Exceptional matters are carefully reviewed to ensure that each beneficial shareholder's interests are served.

REPORTING

Barrantagh is committed to transparency with our clients as we expect this from companies' we invest in. As a Signatory to the UNPRI we intend to meet our reporting commitments with the organization and offer feedback on the report to our clients.