

Brunel Asset Management Accord

Purpose

1. The Brunel Asset Management Accord ("Accord") is intended to help clarify understanding and shape expectations in the implementation of the investment mandate that Brunel has awarded to "the Manager". It is not intended to create legal obligations on either party, and in all matters of contract the Investment Management Agreement takes precedence. However, Brunel has appointed the Manager with the expectation that they will act with integrity and that the Accord is expected to deliver greater alignment between (a) the Client's goals and time horizon and (b) the services provided by the Manager, together with the incentives the Manager faces.

Being long term

2. The Manager is expected to be familiar with Brunel's 12 Investment Principles, which include a strong emphasis on long-term value creation and stewardship, and other related strategic statements which Brunel may issue from time to time.
3. Brunel has appointed the Manager with the expectation that they will deliver performance objectives over the medium to long term, and this relationship will last several years, possibly a decade or more. The long-term nature of the relationship should be reflected in the commercial aspects of the relationship.
4. Brunel has appointed the Manager because it shares the view that concentrating on the fundamental long-term performance of businesses (and other investee entities), which includes the integration of sustainability and environmental, social and governance (ESG) risks, is most likely to deliver a successful long-term performance outcome. Brunel takes a long-term view of its fiduciary duties and expects the Manager to act as if it were a fiduciary investing for the long term when operating this mandate.
5. In evaluating the Manager and considering whether to place the Manager on watch or even to terminate the mandate, Brunel will principally consider whether this expectation of long term outperformance is still intact. Demonstration of original idea generation, examples of detailed research on key issues and topics, thoughtful portfolio construction, application of good price discipline and evidence of successful trading with good cost control will all be viewed positively.

In contrast the following factors are likely to cause concern:

- Persistent failure to adhere to Brunel's investment principles and the spirit of the Accord.
 - A change in investment style, or investments that do not fit into the expected style.
 - Lack of understanding of reasons for any underperformance, and/or a reluctance to learn lessons from mistakes. Conversely, complacency after good performance should be avoided.
 - Failure to follow the investment restrictions or manage risk appropriately, including taking too little risk.
 - Organisation instability or the loss of key personnel.
6. Investment performance, particularly in the short term, will be of limited significance in evaluating the Manager. When investment performance is considered, Brunel will have regard to the statistical dispersion of results, given the relative risk in performance to the benchmark expected in the mandate.
7. The normal practice of Brunel is to give managers at least three years to prove themselves, and not to terminate mandates without good reason. Brunel expects some mandates to remain in place for 10 years or more, and Managers should be aware that appointing new managers is resource-intensive, and not something Brunel will undertake lightly.

Communication is vital

8. Brunel demands high standards of transparency from the companies and organisations it works with, so likewise places a high priority on being transparent itself and providing high standards of reporting and communication. Brunel will expect the Managers' reporting to facilitate its ability to deliver this commitment.
9. Both parties acknowledge the importance of open and free communication between themselves. Although communication may be frequent, both parties do not wish this to lead to short term pressure and Brunel will endeavour to ensure that such dialogue does not inadvertently give such an impression. If the Manager feels under short term pressure, they should provide feedback to Brunel on these concerns.
10. Brunel is aware that sudden, large demands for liquidity through partial redemptions may hinder the Manager's investment process, and specifically the ability to commit long term capital. Brunel will seek to moderate the risks such demands could generate. As part of the Manager's reporting, Brunel will

be interested in any elements of the Manager's business model which seek to reduce the risks that Brunel might bear from potential large redemptions by other clients of the Manager.

11. Brunel is aware that capacity may be an issue for this mandate and will expect the Manager to report on capacity considerations from time to time.
12. Brunel will provide feedback to the Manager on Brunel's perception of the Manager, including whether they are on Watch. Brunel's evaluation will be primarily influenced by the factors stated in 5 above.

Responsible investment and stewardship

13. Brunel aims to deliver stronger investment returns over the long term, protecting its clients' interests through contributing to a more sustainable and resilient financial system, which supports sustainable economic growth and a thriving society. As such Brunel actively seeks the integration of ESG, as appropriate to the mandate, together with the exercise of robust stewardship across all asset classes. Brunel will expect the Manager's reporting to reflect this importance.

Collaboration

14. Where the Manager is on watch or otherwise giving cause for concern, Brunel will work with the Manager to explore ways of reducing Brunel's concerns and revitalising the mandate. This may include considering changes to the benchmark and amendments to the investment restrictions or investment schedules, without fundamentally changing the mandate.

Thought leadership and innovation

15. Brunel are prepared to be innovative and demonstrate thought leadership in collective investment, within the requirement of prudence and joint fiduciary duty. Brunel welcomes open dialogue to explore ways to meet both its own and our clients' evolving investment needs. The Manager will keep Brunel informed of the evolution of its business and its investment process so that Brunel can ensure the mandate remains fit for purpose.

Signed by CIO, Brunel Pension Partnership Limited & Representative of the Manager