

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

November 2020

Contents

1. POLICY	3
2. OBJECTIVES	3
3. ESG WHEN MAKING AN INVESTMENT.....	3
4. ESG AS PART OF ASSET MANAGEMENT.....	3
5. REPORTING AND TRANSPARENCY.....	4
6. SCOPE AND RESPONSIBILITIES.....	4

1. POLICY

This Environmental, Social and Governance ("ESG") Policy defines InstarAGF Asset Management Inc.'s ("InstarAGF") approach to assessing ESG risks and value creation opportunities related to investments being considered or made by one of its investment funds ("Funds"). InstarAGF considers material ESG matters in the course of its due diligence and management of portfolio investments for its Funds to the extent reasonably practical in a given circumstance. For the purposes of this ESG policy, material ESG issues are defined as those issues that InstarAGF in its sole discretion determines have or have the potential to have a direct substantial impact on an organization's ability to create or preserve economic value as well as environmental and social value for itself, the communities where it operates, and other stakeholders.

Examples of ESG matters include:

- **Environmental:** energy use and efficiency, carbon emissions, pollution, and waste and water management;
- **Social:** human rights, equality, health and safety, community impacts; and
- **Governance:** management and board structure, anti-money laundering and conflicts of interest.

As a long-term investor, we believe we have a fiduciary obligation to proactively address ESG risks and opportunities as part of our investment strategy to create long-term sustainable value for InstarAGF's limited partners. InstarAGF is a signatory to the Principles for Responsible Investment ("PRI"), an initiative supported by the United Nations that provides a voluntary framework to help institutional investors incorporate environmental, social and corporate governance issues into investment analysis, decision-making and ownership practices.

2. OBJECTIVES

InstarAGF seeks to:

- A. Consider environmental, safety and social issues associated with potential investment opportunities in InstarAGF's evaluation of the prospective entity or asset and the ongoing asset management of the portfolio investment.
- B. Continually engage with relevant stakeholders, including, but not limited to, local communities, First Nations and all levels of government, either directly or through representatives of portfolio companies, as appropriate.
- C. Actively develop and improve the long-term sustainability of portfolio investments for the benefit of multiple stakeholders.
- D. Work with partners, management of portfolio companies, contractors and stakeholders to the extent reasonably possible to improve and advance ESG initiatives at InstarAGF and its portfolio investments.
- E. Promote transparency and timeliness in communication with stakeholders and InstarAGF's limited partners on ESG matters.
- F. Follow strict guidelines that prohibit bribery and other improper payments to public officials, and follow anti-money laundering laws and regulation globally.

3. ESG WHEN MAKING AN INVESTMENT

During the investment evaluation process, InstarAGF will:

- A. Take into account the type, geography and relative control of an investment to review the different ESG elements that might affect a target investment, including engaging external advisors to assist and compile formal reports for consideration by InstarAGF's investment team, which must outline the merits of the transaction and disclose potential risks and mitigants to a Fund's investment committee.
- B. Not invest in companies or projects that do not respect or follow human rights, including the use of child or forced labour or engaging in discriminatory practices.
- C. Identify mechanisms for mitigating potential ESG risks and capitalize on opportunities to add value post-acquisition.

4. ESG AS PART OF ASSET MANAGEMENT

InstarAGF includes ESG risks and opportunities in its evaluation of potential investment opportunities and subsequently incorporates these factors into its ongoing asset management and monitoring activities. While InstarAGF is an active steward of the portfolio

companies in which it invests, the extent of such management and monitoring may be affected by the level of control or influence of InstarAGF on a portfolio company's Board of Directors and/or as a shareholder of the portfolio investment. Our view is that effective management of ESG risks and opportunities can enhance the value of a portfolio investment, and we work with our management teams and co-investors to encourage and promote the adoption of sustainable practices across our businesses.

InstarAGF:

- A. Incorporates the ESG risks and opportunities identified during due diligence into the post-acquisition action plan for a new investment.
- B. Requires ongoing disclosure from project companies, in the form of quarterly reporting and regular key performance indicators.
- C. Where appropriate, considers ESG matters as part of a portfolio company's incentive program.
- D. Complies with applicable local, state, provincial, national and international labor laws and standards applicable to the jurisdictions in which it invests. InstarAGF strives to provide a safe, healthy and supportive work environment at all of its portfolio investments and supports competitive wages and benefits for its employees.

5. REPORTING AND TRANSPARENCY

InstarAGF integrates ESG factors into its internal reporting as well as its reports to the limited partners in its Fund(s). Additionally, as a signatory to the PRI, InstarAGF participates in its assessment processes and will submit publicly available transparency reports on an annual basis.

6. SCOPE AND RESPONSIBILITIES

Senior professionals of InstarAGF's investment and asset management team are responsible for ESG matters related to our portfolio investments in collaboration with InstarAGF's stakeholder relations and legal teams. InstarAGF's Managing Partner, George So, will be responsible for the management of the ESG policy and ensuring it is adhered to, reviewed periodically and updated as required. Continuous education and training on ESG is provided in a variety of forms across the organization.

7. AUTHORITY

The Board of Directors have approved the provisions of this policy. This Policy shall be reviewed and updated, as applicable, on an annual basis. If changes or updates to the policy are considered significant, approval is required prior to implementation.