<u>Process Statement on Corporate Governance Considerations</u>

Ranger Investment Management, LP ("Ranger or "the Firm") espouses the belief that a correlation exists between the implementation of sound corporate governance practices and the ability of a company to add long-term value. At the heart of sound corporate governance practices are the concepts that (i) the objectives of a company should be driven by the interests of its shareholders and beneficiaries, (ii) a company should implement structures and mechanisms which create a culture of transparency and accountability, and (iii) practices are implemented to ensure that management and the board have the ability to effectively oversee employee behavior and lead the company in an effective, ethical and accountable manner. To that end, the Firm has isolated five key principles to identify sound corporate governance:

1. <u>Corporate Leadership</u>: A company's board and management team should be comprised of capable leaders who can effectively direct the company in meeting its business purposes in both the short and long term. Factors evaluated by the Firm to isolate a company's adoption of this principle include, but are not limited to:

    a. Management background, experience and tenure with the company.

    b. Relationship between management and the board.

    c. Relationship between management and employees.

    d. Insider ownership of the company at both the board and management level.

    e. Lack of any director conflict of interests and/or relationships which would compromise true independence and alignment to shareholder interests.

    f. Substantiation of ability of the board to impose true oversight and direction.

2. <u>Board Structure, Independence and Engagement</u>: The board should have an appropriate mix of skills, experience and independence to enable its members to discharge their duties and responsibilities effectively. Factors evaluated by the Firm to isolate a company's adoption of this principle include, but are not limited to:

    a. Size of board relative to its peers.

    b. Suitable independence, experience and skill set of the company's board of directors to ensure that the board has sufficient understanding and command over the actions of the Company to serve as fiduciary watchdogs on behalf of shareholders.

    c. Board attendance, responsiveness and other indicators reflecting board engagement in the operations of the company.

    d. Diversity of board members as reflected by the percent composition of women and minorities.

3. <u>Accountability</u>: Management and the board should adopt principles of transparent reporting and communication, whereby they communicate to the company's shareholders at reasonable intervals, a fair, balanced and understandable assessment of how the company is achieving its business purpose and meeting its other responsibilities. Factors evaluated by the Firm to isolate a company's adoption of this principle include, but are not limited to:

a. Executive compensation structures which align with shareholder interests, including compensation structures which do not inadvertently give rise to adverse incentives.

b. Policies and history relating to transparent reporting and communication, including timely reporting on financial results.

c. A history of commentary related to future financial results that are reasonably in line with actual performance.

d. Candid and open commentary, as well as management accountability, during periods of underperformance.

e. Accounting and audit related policies and procedures.

f. Bylaws and capitalization structures which do not shield a board from accountability and replacement, including dual class stocks when used for control purposes, hyper-voting structures, classified boards and poison pill equivalents.

4. Sustainability: Management and the board should consider the long-term sustainability and value of the company's enterprise, including regular assessment of environmental and social risks and opportunities. Additionally, they should guide the business to create value and allocate it fairly and sustainably for reinvestment and distribution to shareholders, employees and communities. Factors evaluated by the Firm to isolate a company's adoption of this principle include, but are not limited to:

   a. Adherence to industry-specific regulatory requirements.

   b. Environmental performance in the areas of energy, waste, water, and emissions and its financial impacts.

   c. Labor practices and talent management.

   d. Attention to changing consumer and commercial expectations.

   e. Frequency of management and board discussions and strategic planning to assess sustainability risks in the business.

   f. Openness with regard to innovation.

   g. Responsiveness to shareholder concerns.

5. Integrity: Management and the board should lead the company to conduct its business in a fair and transparent manner that can withstand scrutiny by stakeholders. Factors evaluated by the Firm to isolate a company's adoption of this principle include, but are not limited to:

   a. A Code of Conduct/Ethics outlining expected behavior by executives, employees, and the board.

   b. An expectation or policy outlining behavior of suppliers or vendors.

   c. An active whistleblower policy (although this is often included in code of conduct/ethics).

Methods of Implementation

The Firm primarily addresses corporate governance by (i) actively screening companies for the criteria applicable to such investment sector and company, (ii) performing due diligence and communicating directly with a company's management team, and (iii) active ownership, including the voting of proxies in support of the principles and policies adopted by the Firm.

As noted above, the Firm may undertake its own research in isolating factors associated with corporate governance, including without limitation, in-person meetings, evaluating company documents or filings with the Securities Exchange Commission. However, the Firm may also, at its discretion, employ third party research tools for the collection of screen data, including without limitation, information provided by the Sustainability Accounting Standards Board, MSCI ESG Research, Bloomberg Sustainable Finance Solutions, and data provided by the PRI and the US SIF.

Responsibilities for Review

Evaluation of governance standards relating to each portfolio company are undertaken prior to the date of investment; and thereafter on a periodic basis. Responsibilities for evaluating ESG factors, including those relating to governance, will fall under the purview of the Investment Team, provided that, the Firm's ESG Committee shall, within an advisory capacity, maintain non-discretionary oversight of the Firm's ESG policies, procedures and methodologies and report its conclusions and findings to the Firm's leadership and Portfolio Managers.

Considerations of Governance in Portfolio Construction

The Firm's investment methodologies represent a robust process with many variable factors, which include, but are not limited to environmental, social and governance considerations. As such, and subject to written client mandates, this process statement shall not be deemed to be fully concessionary or otherwise require investment decisions to be made in reliance of any one or more environmental, social or governance consideration(s).