



# Proxy Voting Policy

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## 1. Introduction

Shareholders of public companies have a right to vote on proposals brought before them at annual and special meetings. The right to vote is one of the most important rights a shareholder has, and with that right comes the responsibility for Addenda to cast votes in a manner that will support the protection and enhancement of the long-term value of investments for our clients and other stakeholders. Addenda usually votes “by proxy” by instructing someone to vote our clients’ shares in accordance with our instructions which are based on the guidelines outlined below. We will, if necessary, attend a meeting to vote in person.

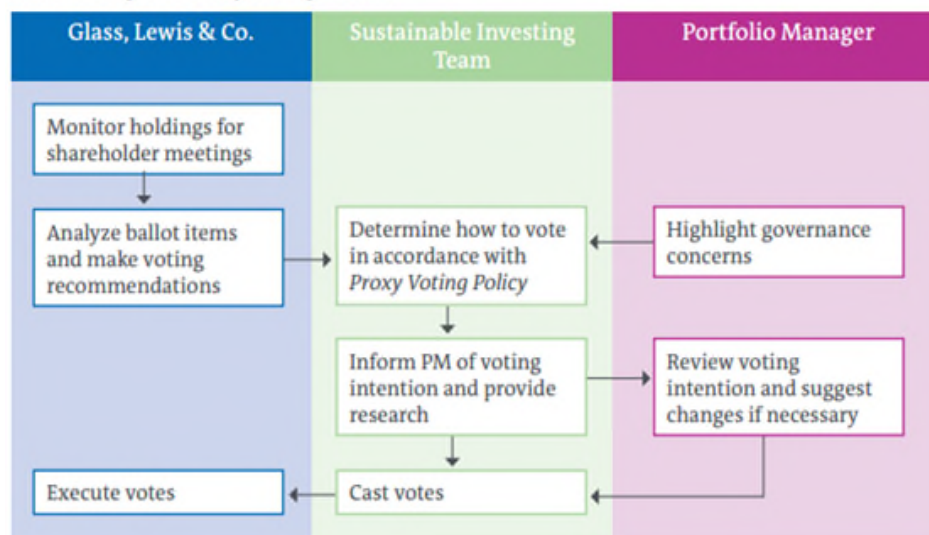
## 2. Why is Proxy Voting Important?

Voting at shareholder meetings is one of the most important methods by which Addenda can affect governance, communicate preferences and signal confidence or lack of confidence in a company’s management and oversight. Our emphasis on voting is based on the evidence that companies that have good corporate governance are likely to sustainably generate more long-term value for their shareholders and other stakeholders than similar companies with inferior corporate governance.

## 3. Proxy Voting Process

Our proxy voting process is focused on promoting the long-term performance and sustainable success of companies for shareholders and other stakeholders. We consider each ballot item, with the help of Glass, Lewis, & CO., and determine how to vote in a manner consistent with the guidelines outlined below. Portfolio managers have full authority for votes relating to securities in the portfolios they manage.

Addenda Capital’s Proxy Voting Process



## 4. Proxy Voting Guidelines

The voting guidelines set out below are general in nature. Each ballot item will be considered individually and assessed on its merits. There could be particular aspects of any given ballot item that could cause us to vote differently than the guideline. In each case, our vote will be intending to enhance the best long-term interests of our clients with consideration of the interests of other stakeholders. The guidelines establish how we intend to vote on some commonly raised or contentious issues. They do not cover all situations.

Where a client with a segregated account has provided specific proxy voting guidelines, Addenda will vote in accordance with those guidelines. Otherwise, we will vote in accordance with the guidelines set out below.

Some of Addenda's segregated accounts and pooled funds may, subject to their respective investment policy, participate in securities lending which results in the inability to vote shares that are out on loan on the record date. We may seek to recall securities in order to vote at meetings that are likely to include contentious issues if the long-term value of exercising voting rights is expected to exceed the incremental returns of securities lending. Recalling securities is not expected to occur often.

ISSUE	VOTING GUIDELINE
<b>Boards of Directors</b>	
A majority of directors should be unrelated to the company. Addenda will vote for directors on a case-by-case basis, taking into consideration these guidelines and the long-term performance of the company and the directors.	
1. Independence	Support election of independent board of directors (at least 2/3) and 100% independent nominating/governance, compensation, and audit committees.
2. Election of directors	Support election of directors individually rather than as a slate.  Support majority voting standard for the election of directors.
3. Staggered board terms	Oppose staggered boards but apply voting guidelines for the election of directors who are standing for staggered terms.
4. Term or age limits for directors	Oppose proposals requiring term or age limits.
5. Independent chair	Support election of independent directors to the role of Chair. Support proposals for the separation of Chair and Chief Executive Officer roles.

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| 6. Board committee accountability           | Support committee chairs reporting personally to shareholders.  |
| 7. Directors' insurance and indemnification | Support adequate insurance and indemnification subject to actions being taken in good faith.  |
| 8. Size of board                            | Support board size of 7 to 15 members for optimum effectiveness.  |
| 9. Director attendance at meetings          | Support disclosure of attendance record for each director at board and committee meetings.<br><br>Oppose election of directors who attend less than 75% of their board and committee meetings without a reasonable explanation.   |
| 10. Independent auditors                    | Oppose auditor ratification if non audit fees exceed 25% of total fees paid to the audit firm.  |
| 11. Effective boards                        | Oppose election of directors who appear to have too many commitments to fulfill their duties as directors. For example, a director without a full-time job that sits on more than 4 public company boards or a director with a full-time job (including senior executives) that sits on more than 2 public company boards would be viewed as having too many commitments in the absence of a contrary indicator.<br><br>Support proposals to institute and develop director education programs and performance evaluations for boards of directors. |
| 12. Diversity on boards                     | Support director recruitment processes and director nominations that enhance board effectiveness by inducing adequately diverse boards. Aspects of diversity to be considered include gender, professional experience, education and ethnicity.   |

**Executive and director compensation**

Executive and director compensation should be tied with performance in a manner that aligns with the long-term interests of the company. Addenda will vote on compensation on a case-by-case basis, taking into consideration these guidelines and the relationship between pay and company performance.

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| 13. Executive compensation design | Support performance related compensation that is linked to specific objective measures of the company's operational and financial performance and are disclosed and in the best interests of the company.<br><br>Support linking executive compensation to reasonable measures of performance on social and environmental issues that are likely to enhance long-term corporate financial |
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performance in addition to traditional measures of financial performance.

Oppose executive compensation that contains any of the following major issues:

- overuse of absolute metrics because they may reflect economic or industry factors beyond the control of executives;
- the use of a single performance metric for incentive programs;
- short-term and long-term incentive plans that are based on similar metrics;
- performance targets that are not sufficiently challenging or are lowered without justification;
- target long-term incentive awards that are not based significantly on performance measures;
- no limits on incentive payments;
- performance measures for long-term incentive awards that are measured over less than three consecutive years.

Oppose executive compensation that contains a combination of any two of the following:

- fees paid to a firm for work other than advice related to compensation exceeds 75% of total fees paid to that firm;
- lack of a clawback provision;
- lack of an anti-hedging policy;
- executives granted supplemental discretionary awards outside the normal incentive plan;
- allowing tax gross-up payments;
- lack of requirement that a portion of executives' annual cash bonus be deferred into shares.

Oppose the election of members of a compensation committee that failed to initiate changes to executive compensation design when we did not support the prior advisory vote on executive compensation and it did not win majority approval.

14. Equity-based compensation

Support compensation through shares and deferred shares that aligns shareholder interests with executive and director interests.

Oppose:

- repricing stock options or reissuing underwater options;
- total potential dilution above 10% from equity compensation plans;
- annual grants of more than 2% of outstanding shares;
- stock options for non-executive directors.

15. Loans to management and directors

Oppose preferential loans or loans secured by or granted for company shares.

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| 16. Severance benefits | Oppose excessive severance benefits.<br><br>Oppose “single trigger” severance benefits. |
| 17. Share ownership    | Support share ownership requirements for directors and executives.                      |

**Shareholder Rights**

Wherever possible, Addenda will vote for proposals that defend rights of shareholders and against proposals that may hinder them.

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| 18. Disclosure of shareholder vote results | Support disclosure of results of all shareholder votes within a reasonable time.   |
| 19. Super-majority voting                  | Oppose super majority voting requirement which can have the impact of making it impossible to achieve sufficient votes under usual shareholder meeting conditions.   |
| 20. Dual-class shares                      | Oppose dual-class share structures.  |
| 21. Linked proposals                       | Oppose proposals that link more than one issue together if at least one of the issues would be opposed according to these guidelines except if the overall effect of the proposals would benefit the long-term performance of the company. |
| 22. Confidential shareholder voting        | Support.   |
| 23. Other business proxies                 | Oppose approval of unspecified “other business,” requests for open-ended proxies to management for other business.   |
| 24. Acting by written consent              | Support taking action by written consent in place of a meeting as it is a means shareholders can use to raise important matters outside the normal annual meeting cycle.   |
| 25. Right to call a special meeting        | Support this proposal when the aggregate required ownership to call a meeting is more than 10%.  |
| 26. Proxy access                           | Support binding proposals with reasonable ownership thresholds and caps on the number of shareholder nominated seats at 25%.   |

**Takeover Protection**

Takeover protection can take various forms including poison pills, increasing authorized shares, blank cheque preferred shares, crown jewel defence and greenmail. Addenda will review transactions on a case-by-case basis.

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| 27. Takeover protection | Oppose those that entrench management.<br><br>Support those that are in the best interests of minority shareholders. |
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## Environmental and Social Issues

Companies face significant financial, legal and reputational risks resulting from poor environmental and social practices, or negligent oversight thereof. Addenda views the identification, mitigation and management of environmental and social risks as integral components when evaluating a company's overall risk exposure.

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| 28. Disclosure of risks and management practices | Support reasonable requests for increased disclosure of risks and management practices related to or arising from social, environmental and ethical issues.   |
| 29. Standards and business practices             | Support adherence to internationally recognized norms and conventions and the adoption of policies and practices regarding environmental and social issues that are likely to enhance long-term corporate financial performance.  |
| 30. Climate change                               | <p>Support reasonable requests for increased public disclosure of risks related to climate change and management practices intended to address those risks.</p> <p>Support requests to adopt cost-effective greenhouse gas emissions reductions.</p> <p>Support requests for corporate strategies and business plans that are consistent with limiting the global temperature rise to 2°C above pre-industrial levels.</p> <p>Support requests to end lobbying against (or otherwise obstructing) policy supportive of limiting the global temperature rise to 2°C above pre-industrial levels.</p> |
| 31. Political contributions                      | Support reasonable requests to improve disclosure of political contributions and trade association spending and the company's related policies and practices.   |
| 32. Diversity policies                           | Support implementation and disclosure of diversity policies and practices.  |
| 33. Human rights policies                        | Support implementation and disclosure of human rights policies.   |
| 34. Environmental expertise on boards            | Support the nomination of directors with environmental expertise to boards of companies in industries with significant environmental issues associated with their operations.   |

## Additional Note on Shareholder Proposals

In the event that there are shareholder proposals where the spirit of the proposal is in line with our policy but the terms are excessively restrictive, we will abstain from voting in lieu of voting against the proposal entirely. We will oppose the election of directors that fail to implement measures to address shareholder proposals that we supported and won majority approval.