

CC&L has a fiduciary duty to vote proxies both in a timely manner and in the best interests of our clients. The central tenet of our proxy voting policy is that good corporate governance enhances long-term shareholder value. We believe that for our proxy voting process to be effective, some flexibility is required, and for that reason, we use guidelines rather than rules. Our guidelines are designed to provide a framework for contemplating a wide range of situations that can have a significant impact on the investment value of the securities held in our clients' accounts. These policies are not meant to be exhaustive due to the variety of proxy voting issues that we may be required to consider. We reserve the right to depart from these guidelines in order to avoid voting decisions that we believe may be contrary to our clients' best interests.

In addition to our proxy voting guidelines, we attempt to influence the corporate governance process through direct interaction with management and boards of directors and through participation in the Canadian Coalition for Good Governance (CCGG). CC&L is a founding member of the CCGG, a group of large pension funds and investment counsel firms, which was formed to provide a more structured voice on behalf of investors on corporate governance issues related to Canadian public issuers.

The global proxy research and voting services of Institutional Shareholder Services (ISS) are employed to help assess and vote proxies in accordance with our custom voting policy. Taking into account our custom guidelines, ISS prepares voting recommendations for all proposals on which we are entitled to vote. CC&L will generally rely on these recommendations, however, certain situations will warrant additional review and may result in CC&L voting contrary to ISS' recommendations.

CC&L takes its voting responsibilities very seriously and uses its best efforts to exercise these rights. There are, however, situations when it may be impractical or impossible for CC&L to vote. For instance, a limited number of international markets are subject to share-blocking restrictions, which create liquidity and administrative challenges that prevent CC&L from voting securities in those markets. If a CC&L pooled fund lends securities to a third party, the voting rights are passed on to the borrower. However, in these situations, if CC&L holds a material stake in the issuer, or if the portfolio manager deems it necessary, CC&L will generally recall and vote the shares.

While CC&L intends to apply the voting rights policy in all countries, CC&L will also take into account local laws and prevailing governance practices when exercising our voting instructions, which may result in deviations from the proxy voting policy as described.

SHAREHOLDER RIGHTS

General Guidelines: Our goal is to ensure that the long-term interests of management and shareholders are aligned and we believe that certain fundamental rights of shareholders must be protected. We will generally vote in favour of proposals that improve corporate governance practices or allow shareholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights.

CC&L believes that shareholders with meaningful ownership should have the right to call a special meeting and will generally vote against proposals restricting this right. Regarding proxy access, we will generally support giving shareholders the right to nominate directors, provided nominations reflect a reasonable level of stock ownership and the nominees are well qualified and prepared to act in the interests of all shareholders. Additionally, we will generally oppose advance notice bylaws that impose unreasonable conditions on shareholders who wish to nominate directors to the board. We will generally vote against proposals that give management the authority to adjourn or extend a meeting unless compelling reasons are provided. CC&L will review proxy contests on a case-by-case basis taking into consideration the long-term company performance, background to the contested

election, nominee qualifications and other relevant factors. CC&L believes that companies should disclose the results of proxy votes. Such disclosure of voting results provides shareholders with an indication of the level of opposition related to matters voted on by all shareholders.

Anti-Takeover Measures: CC&L believes measures that impede takeovers or entrench management not only infringe on the rights of shareholders but may also have a detrimental effect on the value of the company. Accordingly, we will analyze such proposals on a case-by-case basis, weighing heavily the views of the portfolio manager with direct responsibility for that investment within the context of our proxy voting guidelines. We will generally oppose proposals that entrench management or dilute shareholder ownership regardless of whether they are advanced by management or shareholders. Conversely, we support proposals that would restrict or otherwise eliminate anti-takeover measures that have already been adopted by corporate issuers.

Voting Standard: We prefer that companies adopt a majority vote standard for the election of individual directors in uncontested elections, except in cases where a plurality voting standard is required by law. In cases where plurality voting is required by law, we believe that directors who fail to receive a majority of the votes cast in favor should tender their resignation, to be accepted by the board barring exceptional circumstances. We will generally oppose super majority voting requirements if they are an attempt to diminish the rights of minority shareholders. In the case of an unresponsive board of directors, we will review the appropriateness of cumulative voting proposals on a case-by-case basis. We do not support different voting rights for shareholders as found under dual class share structures. We view linked proposals as attempts to diminish the rights of minority shareholders.

BOARD OF DIRECTORS

General Guidelines: We support and encourage majority voting in uncontested director elections on an individual basis versus slate. We generally will vote in favour of the directors listed in the proxy circular unless there is a proxy fight for seats on the Board or we determine that there are other compelling reasons for withholding votes for individual directors. We believe that directors have a duty to respond to shareholder actions that have received significant shareholder support. We may withhold votes for directors that fail to act on key issues such as failure to implement proposals to declassify boards and failure to submit a rights plan to a shareholder vote.

Attendance: We will generally withhold votes for directors who have attended less than 75% of the board meetings held within a given year without a valid reason for these absences.

Board Diversity: We believe that the appropriate balance of skills, experience, and perspectives can be important factors in ensuring overall board effectiveness. Where we interpret a board to be meaningfully lacking in this balance of diverse traits, we may consider voting against members of the nominating committee on a case-by-case basis, considering market and industry specific context, regulations, and research conducted by CCLIM, including discussions with management.

Board Size: We believe that the board should be an appropriate size, large enough to achieve the requisite expertise needed and small enough to allow open discussions and individual accountability and responsibility for board decisions. We will generally vote against the Chair of the Nominating Committee whereby the number of directors is outside the range of 5 – 15 directors on the board.

Independence: We support an independent board of directors, and consider a board to be independent when at least two-thirds of the directors are independent. We would likely vote against all non-independent directors, other than the CEO, if the proposed board composition does not meet this criteria. We prefer the annual election of all directors and will generally not support boards that provide staggered terms for board members. We generally support insiders as board members as we feel they provide valuable knowledge and insight to the company. However, there will be instances where we vote against insiders if the number of insiders on the board is excessive. Insider representation on boards in some instances may reflect the level of ownership or control.

Insiders: We will also consider withholding votes for any director nominee deemed to be an insider or affiliated outsider who also serves on any key board committees.

Overboarding: We will generally withhold votes for directors who are overboarded. A director is considered overboarded if he/she: i) sits on more than five public company boards; or ii) is an outside CEO and sits on more than one other public company board.

Separation of Chair and CEO: We believe that the board chair should be an independent, non-executive director. If such separation does not exist but the company has a strong governance structure, such as an independent director as lead director with clearly delineated duties, we will consider supporting such an arrangement provided the reasons for combining the roles of Chair and Chief Executive Officer are disclosed and are compelling.

Tenure: We generally oppose age and term limits for individual directors and prefer to see board renewal occur through an annual evaluation process, which assesses the effectiveness of the board as a whole, its committees, and individual directors. If the average tenure of the board exceeds 10 years, we will review the make-up of the board and may withhold votes from the longest-serving member of the board, other than the CEO.

CORPORATE STRUCTURE/CAPITAL

General Guidelines: Changes in a company's charter, articles of incorporation or by-laws are often technical and administrative in nature. Absent a compelling reason to the contrary, CC&L will cast its votes in accordance with the company's management on such proposals. However, we will review and analyze on a case-by-case basis any non-routine proposals that are likely to affect the structure and operation of the company or have a material economic effect on the company.

Buybacks: CC&L considers share buybacks proposals taking into account the impact on long-term shareholder value impact, the level of disclosure, effect on incentive plans, and other relevant factors.

Mergers & Acquisitions: CC&L reviews proposed mergers and acquisitions transactions on a case-by-case basis and considers them based on their strategic rationale, valuation, long-term interest, and impact on shareholders rights.

Share Issuance: We will oppose increases in authorized common stock where there is evidence that the shares will be used to implement a poison pill or other anti-takeover devices, or if the issuance of new shares could excessively dilute the value of the outstanding shares upon issuance.

EXECUTIVE COMPENSATION

General Guidelines: The ultimate goal of any executive compensation plan is to provide the right incentives to enhance shareholder value. CC&L believes that the compensation committee of the board of directors should, within reason, be given sufficient latitude to determine the types and mix of compensation and benefit awards offered. We will consider management advisory votes (say-on-pay) on compensation on a case-by-case basis taking into consideration the level of disclosure, pay practices and executive pay-for-performance alignment. We will generally support proposals seeking that the company adopt an annual advisory vote on executive compensation. We will consider withholding votes from the compensation committee if there is no annual say-on-pay ballot or the board is unresponsive to shareholders' say-on-pay proposals, or we observe abnormal compensation practices that are contrary to shareholders' best interests. Compensation plans that are presented to shareholders need to be both transparent and reasonable. These plans should reflect the realities of the market place with employees paid the requisite amounts to attract and retain the skills and abilities required. All perquisites should reflect a justifiable corporate need and should be able to stand on their own merits under a cost-benefit analysis.

Clawback: We will generally support shareholder proposals requesting that boards adopt a clawback policy to recoup incentive compensation in cases of fraud, negligence or willful misconduct irrespective of whether there was a financial restatement.

Equity Awards: We will review proposals relating to executive compensation plans on a case-by-case basis to ensure that the long-term interests of management and shareholders are properly aligned. We will analyze the proposed plans to ensure that (i) shareholder equity will not be excessively diluted, (ii) the plan is of fixed nature,

(iii) the plan does not allow for the repricing of underwater stock options, (iv) the plan has a suitable vesting period, (v) the option exercise price is not below market price on the date of grant, and (vi) an acceptable number of employees are eligible to participate in such programs. We generally have a preference for restricted stock unit (RSU) arrangements over stock option plans and will generally oppose stock option plans. Other factors such as the company's performance, industry practice and capitalization will generally be factored into our analysis.

Golden Parachutes: We do not support 'single trigger' severance compensation for management.

Incentive Compensation: Incentive compensation plans should be tied to individual and corporate performance, linked to strategic corporate objectives and not general market or sector performance. Management and director incentives should vest over a sufficient period of time in order to ensure a longer-term focus. We expect that management have direct ownership in the companies that they represent. When considering proposals on share retention policies for management, CC&L will take into account the reasonability of proposed threshold, timeline, and pay practices.

DIRECTOR COMPENSATION

General Guidelines: We believe that compensation for non-executive directors should be structured in such a way to ensure the board's independence, objectivity, and alignment with shareholder interests. As such, we do not support performance-based pay, such as performance stock units (PSUs) or stock options for non-executive directors. We prefer to see a percentage of non-executive directors' compensation paid in shares, preferably RSUs or deferred stock units (DSUs), which should be held throughout their board tenure. Furthermore, we do not support retirement plans for non-executive directors.

AUDIT FUNCTION

CC&L believes that the company remains in the best position to choose the auditors and will generally support management's recommendation. However, we recognize that there may be inherent conflicts when a company's independent auditor performs substantial non-audit related services for the company or auditor tenure is excessive. Therefore, we may vote against the appointment of auditors if the fees for non-audit related services are disproportionate to the total audit fees paid by the company, auditor tenure exceeds 15 years or is not disclosed or if there are other reasons to question the independence of the company's auditors.

RESPONSIBLE INVESTING

As a signatory of the UN Principles for Responsible Investment, CC&L takes into account environmental and social implications into our proxy voting. Specific proposals related to environmental and social issues will be reviewed and analyzed on a case-by-case basis. CC&L will generally vote in favour of shareholder proposals that seek to improve disclosure of environmental risks, establish formal committee oversight of climate-related matters, and improve transparency regarding social issues, provided it is in the best interest of shareholders.

With regards to climate risk, CC&L may withhold votes for certain directors if a company has not established appropriate climate risk oversight and may elect to vote against financial reporting in response to poor climate-related disclosures.

Please refer to CC&L's Responsible Investing Policy, and Stewardship and Engagement Policy for additional information.

PROXY VOTING RECORDS

Proxy voting reports are prepared quarterly for each client and can be accessed on our corporate website. Clients may obtain additional information about how we voted proxies on their behalf by making a written request for proxy voting information to CCLIM@cclgroup.com.