



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.

Active stewardship is a key component to our Sustainable Investing Policy¹, with voting at shareholder meetings as one of the most important stewardship approaches by which we communicate preferences and signal confidence or lack of confidence in a company's leadership, strategy, management and oversight. Our emphasis on voting is based on the evidence that companies that have good corporate governance, strong strategic oversight of environmental and social issues, along with greater transparency are likely to generate more long-term sustainable value for their shareholders versus those companies with poor performance in these areas.

Addenda votes “by proxy” on behalf of our clients 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. Objectives

The objective of this policy is to inform companies, our clients and other stakeholders of the sustainable practices we favor. It is a key communication instrument between Addenda, its portfolio companies and other stakeholders. Beyond protecting shareholders' rights, it provides information on our voting positions and Addenda's sustainable investing priorities such as climate change, the promotion of diversity and better management of human rights issues within our portfolio companies.

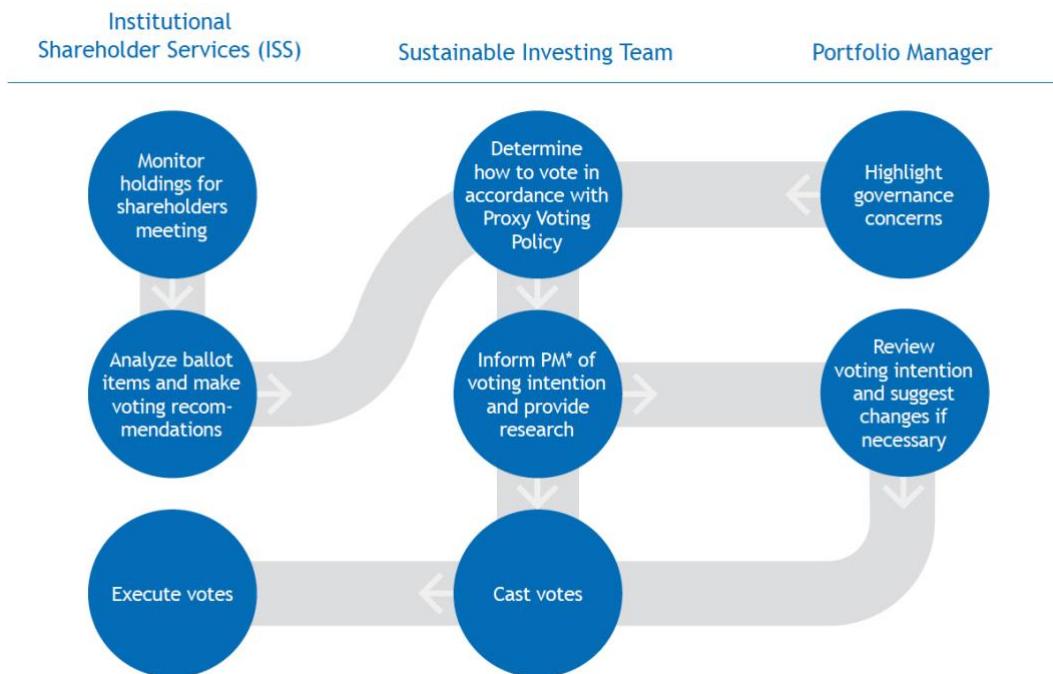
This policy allows us to be transparent with our portfolio companies on the main guidelines governing our voting process. It is updated regularly to reflect changes in best environmental, social and governance practices and our stewardship priorities².

¹ [Addenda Capital Sustainable Investing Policy](#)

² See our [Stewardship Policy](#) for more information

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 Institutional Shareholder Services (ISS), 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.



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. In situations not covered by the proxy voting policy, we will make a judgement call keeping with the spirit of the voting guidelines. We recognize that there are regional differences in governance practices and regulatory policies to protect shareholder rights. Our policies generally apply to large and small cap companies domiciled in developed countries. Further adjustments to our policies will be required as needed to extend into developing markets.

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 will seek to recall all securities in order to cast our vote on all matters in which we are eligible to vote.

Issue	Voting Guidelines
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Boards of Directors

Boards should be composed of effective directors who contribute a full range of skills, education and expertise as needed by the business. A majority of directors should be independent from 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.

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| 1. Director Independence | <p>A director is independent if they have no direct or indirect material financial or familial connections with the company, its executives, its auditor or other board members, except for service on the board and the standard fees paid for that service. Any material relationships within the past three years are considered to be current.</p> |
| | <p>In evaluating the degree of independence of a member, we also consider the appointment date of the board member deemed independent by the company. We may call into question the independence of a member who has been on the board for more than twelve (12) years. It is especially important in this context for the company to fully disclose the reasons the member should continue to be considered independent.</p> |
| 2. Board Independence | <p>If the board is not comprised of at least 2/3rds independent directors, we will oppose the election of non-independent directors, with the exception of the Chief Executive Officer (CEO).</p> |
| | <p>As an exception to the general principle stated above and solely where appropriate mechanisms are in place to manage any potential conflict of interest between a shareholder holding a large block of shares and the company, we consider the level of independence of the board to be sufficient when there is a shareholder with a large block of shares on the condition that at least:</p> |
| | <ul style="list-style-type: none">- The majority of the members are independent of the company;- The majority of the members are independent of the shareholder with the large block of shares; and- One-third of the members are independent of both the company and the shareholder with the large block of shares. |

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| 3. Board Committees | <p>The nomination, compensation and audit committees or their equivalents must be made up entirely of independent members.</p> <p>If there are non-independent directors on the audit, compensation, nominating or governance committee, we will oppose the election of the non-independent directors.</p> <p>When a shareholder holds a large block of shares, the nomination and compensation committees or their equivalents must be made up entirely of members who are independent of the company, with the majority of these members also independent of the shareholder with the large block of shares. The audit committee, however, must be made up entirely of members who are independent of both the company and the shareholder with the large block of shares.</p> |
| 4. Election of directors | <p>Support majority voting standard for the election of directors.</p> <p>Support annual election standard for the election of directors.</p> |
| 5. Board renewal | <p>We strongly encourage portfolio companies to ensure appropriate renewal of the board, by adopting a policy on maximum term length or other mechanisms of board renewal. This creates a healthy balance between maintaining the existing institutional structures and culture while also bringing in new perspectives on current strategies and business model.</p> <p>This balance should be sufficient to allow for a critical review of the company’s strategies and ensure appropriate counterbalance and oversight of management.</p> <p>We attach great importance to putting in place appropriate mechanisms for board renewal, including encouraging greater diversity, which we view as leading to better decision-making and outcomes.</p> |
| 6. Independent chair | <p>Support proposals for the separation of Chair and Chief Executive Officer roles.</p> <p>Oppose the election of the chair of the board if they are not independent and the board does not have a lead independent director.</p> |
| 7. Board committee accountability | <p>Support committee chairs reporting personally to shareholders.</p> |
| 8. Directors’ insurance and indemnification | <p>Support adequate insurance and indemnification subject to actions being taken in good faith.</p> |
| 9. Size of board | <p>Support board size of 7 to 15 members for optimum effectiveness.</p> |

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| 10. Director attendance at meetings | <p>Support disclosure of attendance record for each director at board and committee meetings.</p> <p>Oppose election of directors who attend less than 75% of their board and committee meetings without a reasonable explanation.</p> |
| 11. Independent auditors | <p>Oppose auditor ratification if non audit fees exceed 25% of total fees paid to the audit firm.</p> |
| 12. Effective boards | <p>Oppose election of directors who appear to have too many commitments to fulfill their duties as directors by</p> <ul style="list-style-type: none"> - serving as an executive of a public company while serving on more than two widely held public company boards (except on the board of the company for which they serve as an executive); or - serving on more than four widely held public company boards; <p>unless the company provides sufficient rationale for their service on the board. Subsidiaries will be counted as separate boards, but the exception for executives will also apply for subsidiaries that are more than 50% controlled by the company on which the director is an executive.</p> |
| 13. Diversity | <p>Support director recruitment processes and director nominations that enhance board effectiveness by inducing adequately diverse boards. Aspects of diversity to be considered include, but not limited to, gender, sexual orientation, ethnicity, visible minorities, abilities, and Indigenous identity.</p> <p>We encourage companies to adopt policies and targets, at minimum, for the representation of gender diverse or visible minorities on the board of directors and to consider the level of diversity when they recruit candidates, train staff and develop policies. In addition to disclosing statistics on the composition of the board and senior management, we encourage companies to provide information on their policies, targets and processes for increasing the level of diversity throughout the organization.</p> <p>Oppose the election of the chair of the board committee responsible for director nominations when:</p> <ul style="list-style-type: none"> - The board does not meet a threshold of 30% female and 30% male board members; and - Only for the Canadian market, the company has not publicly disclosed a board diversity policy that includes a measurable goal or target to reach this threshold within a reasonable period of time. |

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.

14. Executive compensation design
- Support executive compensation that is linked to specific objective measures of the company's operational and financial performance that is disclosed and is in the long-term best interests of the company.
- Support linking executive compensation to reasonable measures of performance on social and environmental issues that, to the extent that they are aligned with the company's strategy, are likely to enhance long-term value creation in addition to traditional measures of financial performance.
- Oppose the election of members of a compensation committee that failed to initiate changes to executive compensation design when the prior advisory vote on executive compensation did not win majority approval.
15. Equity-based compensation
- Support compensation through shares and deferred shares that aligns shareholder interests with executive and director interests.
- Change in exercise price of securities:
- We are opposed to repricing stock options or reissuing underwater options.
- Price:
- We are opposed to securities that are issued at less than 100% of the current fair market value.
- Dilution:
- We are opposed to total potential dilution above 10% from total equity compensation plans.
 - We are opposed to an absorption rate of more than 2% of outstanding shares.
- Performance alignment:
- We are opposed to plans when less than a majority of incentive compensation is based on performance rather than simply the passing of time.
 - We are opposed to long term incentive plans when the performance period is not measured over three consecutive years and over.
- Vesting schedule:
- We are opposed to plans that are 100% vested when granted.
 - We are opposed to long term incentive plans when the overall vesting period is less than three (3) years.

	<p>Non-executive directors:</p> <ul style="list-style-type: none"> - We are opposed to stock options plans or performance-based awards for non-executive directors. - We are opposed to the awarding of stock options, incentive share units or bonuses to non-executive directors in cases involving a change in control. <p>Concentration:</p> <ul style="list-style-type: none"> - We are opposed to plans that authorize the issuance of 20% or more of available securities to a single individual over the course of the same year.
16. Loans to management and directors	Oppose preferential loans or loans secured by or granted for company shares.
17. One-off Payment	<p>Off-cycle or one-off payments should be underpinned by sound business reasons (e.g. retention, sign-on or the successful completion of a transaction). We expect companies to fully disclose these payments as well as the reasons for these payments.</p> <p>We will oppose these one-off payments if:</p> <ul style="list-style-type: none"> - they are deemed excessive or recurrent - the company does not disclose properly the rationale for these grants
18. Severance benefits	<p>Oppose excessive severance benefits.</p> <p>Oppose “single trigger” severance benefits.</p>
19. Clawback	Support any measure that will allow for the recovery of incentive compensation paid to executive officers in cases of accounting restatements, fraudulent acts, negligence or willful misconduct.
20. Share ownership	Support share ownership requirements for directors and executives.
21. Quantum of compensation	<p>Oppose compensation plans where the amount of compensation awarded to the CEO or other senior executives is excessive in light of all the relevant circumstances.</p> <p>Excessive compensation will be determined based on factors such as the issuer financial and operational performance, peers’ analysis, sector of activity and geography.</p> <p>Oppose disproportionate compensation paid to the CEO relative to other senior executives.</p>
22. Frequency of Say-on-Pay Vote	Support annual Say-on-Pay votes

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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| 23. Disclosure of shareholder vote results | Support disclosure of results of all shareholder votes within a reasonable time. |
| 24. 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. |
| 25. Dual-class shares | Oppose dual-class share structures. |
| 26. 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. |
| 27. Confidential shareholder voting | Support proposals to adopt confidential voting. |
| 28. Other business proxies | Oppose approval of unspecified “other business,” requests for open-ended proxies to management for other business. |
| 29. Acting by written consent | Support taking action by written consent in place of a meeting as it is a means for shareholders to raise important matters outside the normal annual meeting cycle. |
| 30. Right to call a special meeting | Support this proposal when the aggregate required ownership to call a meeting is more than 10%. |
| 31. 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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| 32. Takeover protection | Oppose those that entrench management.

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. We encourage companies to have governance, strategic oversight, and transparency related to natural and human capital and to be addressing critical stakeholder issues related to their businesses. We believe by driving stronger performance in these areas we can create long-term value.

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| 33. Disclosure of risks and management practices | Support greater transparency and increased disclosure of risks and management practices related to or arising from social, environmental and ethical issues. |
| 34. 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. |
| 35. Climate change | <p>Support greater disclosure and requests for increased public disclosure of risks related to climate change and management practices intended to address those risks or seek climate opportunities.</p> <p>Support requests to adopt greenhouse gas emissions reductions that are in-line with the Paris Accord and add long-term value and business sustainability as we move to a net-zero world.</p> <p>Support requests for corporate strategies and business plans that are consistent with limiting the global temperature rise to 1.5°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 1.5°C above pre-industrial levels, along with greater transparency on lobbying activities.</p> |
| 36. Advisory Vote on Climate Strategy (Say on Climate) | <p>Support proposals that:</p> <ul style="list-style-type: none">- have a clear disclosure of the governance, strategy and measures adopted by a company in relation to climate change and management of the related risks- disclose the Scope 1, 2 & 3 emissions- have greenhouse gas reduction targets with accountability on achieving them;- request to implement and disclose key findings from climate scenario analyses;- have a disclosure framework based on the Task Force on Climate-Related Financial Disclosures (TCFD) best practice guidelines. |
| 37. Political contributions and lobbying | Support reasonable requests to improve disclosure of political contributions and trade association spending and the company's related policies and practices. |

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| | Support reasonable requests to improve disclosure of lobbying activities, especially on climate lobbying carried out by companies and their professional associations. |
| 38. Diversity and inclusion policies | Support implementation and disclosure of diversity and inclusion policies and practices. |
| 39. Human rights policies | Support implementation and disclosure of human and indigenous rights policies, including but not limited to policies and practices regarding community relations, recruitment, reconciliation and procurement, adherence global norms (such as the UN Global Compact and UNDRIP) and/or the verification of such policies and practices by a credible third party where appropriate |
| 40. 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. |
| 41. Board oversight of environmental and social risks and opportunities | Oppose the chair of the board if there is no evidence of board oversight of environmental and social risks. |

Additional Note on Shareholder Proposals

In the event that there are shareholder proposals where the spirit of the proposal is aligned with our policy but the terms are excessively restrictive, we may support the proposal if it is aligned with our sustainable investing priorities. Even in those cases when the proposal is unlikely to pass, we may support those proposals in order to signal to management to improve practices in a key area with large systemic risks related to the issue.

We will oppose the election of directors that fail to implement measures to address shareholder proposals that won majority approval.