

ABOUT EVOVEST

Evovest is a portfolio management firm. Our vision is to provide added value investments and to be a fair and trusted business partner. Leveraging technological advances in artificial intelligence while building strong client relationships is how we plan to achieve our vision on a daily basis. We are a portfolio manager firm registered with the Autorité des marchés financiers (AMF) to operate in the province of Quebec and Ontario.

OVERALL PRINCIPLES

Our Proxy Voting Guidelines (the “Guidelines”) have been drafted to apply to our investment universe and are not rigid or prescriptive rules. We exercise our voting rights in a global market and must therefore consider nuances in local market practices. We expect companies to respect relevant laws and regulations in their respective markets as well as country specific corporate governance codes and best practices. We take a pragmatic approach when exercising our voting rights by considering local laws, prevailing governance practices and the circumstances of a company in the interpretation and application of the Guidelines.

Additionally, from time to time, Evovest may be unable to cast a vote prior to the cutoff date for reasons including, but not limited to, timing of transferring proxy information. Evovest does not view non-voted proxy ballots to be a material issue for either the clients or its investment strategies. Evovest typically follows a systematic, research-driven approach, applying quantitative tools to process fundamental information and manage risk, significantly reducing the importance and usefulness of the proxies it receives and votes, or causes to be voted, on behalf of its clients.

CONFLICTS OF INTEREST

Evovest aims to avoid significant conflicts of interest in the management of the exercise of voting rights and has a set of policies and procedures establishing rules and principles intended, in particular, to effectively manage conflicts of interest that may arise in its activities. On an ongoing basis, Evovest will identify any significant conflict of interest between Evovest and its clients, including the funds managed by it, and will address these in the best interests of the latter in accordance with its policies and procedures, as well as applicable legislation.

1. BOARD OF DIRECTORS

The Board of Directors of a company is responsible for providing stewardship and oversight of management and operations of the company and has a duty to act in the best interests of the corporation. Fulfilling this duty will ensure that the company is managed in the best interests of shareholders. Its key responsibilities include:

- keeping the right management team in place;
- approving corporate direction and strategy; and
- monitoring how management is operating the business.

To fulfill its responsibilities, boards must be in a position to challenge management's plans and recommendations in a constructive manner while evaluating execution and results objectively. Our guidelines relating to boards of directors have been designed to encourage effective and independent boards.

1.1. Board Size

We support a board size that leads to effective board decision-making and governance. The board should be large enough to provide diversity of thought and expertise, and allow key committees to be staffed with independent directors, but small enough to encourage active participation of all members.

We will not ordinarily vote against director candidates simply because the size of the board is questionable. We may do so, however, if the size of the board is inhibiting its effectiveness.

1.2. Election of Directors

We support the election of directors individually rather than as a slate. We also support the establishment of a majority-vote standard for the election of directors. We will not support proposals that create a staggered board.

1.3. Board Committees

We support independent board committees. We may vote against or withhold votes from individual nominees or an entire slate of nominees if non-independent directors serve on the Audit, Compensation or Nominating/Corporate Governance Committees, taking into consideration corporate performance and governance practices over a suitable timeframe.

1.4. Separation of Chair and CEO

We support the separation of the roles of Chair of the board and CEO. If one person is Chair and CEO, it is difficult for the board to hold management accountable.

1.5. Diversity, Qualifications and Experience

We support director nominees with the appropriate qualifications, experience and availability to properly fulfill their duties. We support the implementation of processes for evaluating and improving board and board committee effectiveness. We may withhold votes from directors where there may be governance concerns, such as poor attendance or lack of adequate independence.

We support disclosure of the company's expectation for directors and their time commitment to the company. We may vote against or withhold our vote with respect to the election of candidates sitting on an excessive number of outside boards, taking into account the complexity of the other companies' businesses and the time commitment required of the director.

We support diversity of a company's directors. Boards should be sufficiently diverse to reflect a variety of perspectives and skills. We may vote against or withhold our vote for the chair of the nominating committee if a company's board lacks sufficient diversity, taking into consideration the size of the board, normal practices within the jurisdiction where the company is located, and length of time a company has been publicly listed.

1.6. Board Tenure

Where the average tenure of the board of directors is 15 years or greater, Evovest will consider withholding our vote for individual directors on a case-by-case basis.

1.7. Director Independence

We generally support boards that have a majority of independent directors. We may withhold votes in cases where board independence appears to be compromised.

1.8. Director Liability

We support proposals that limit directors' liability and provide indemnification provided that directors have acted honestly and in good faith with a view to the best interests of the corporation.

1.9. Quorum Requirements

We will review proposals to change quorum requirements for shareholder meetings on a case-by-case basis. We generally will not support reductions of quorum requirements below two persons holding 25% of the eligible vote.

1.10. Independent Auditors

We generally will support the choice of auditors recommended by the corporation's directors, or more specifically, by the Audit Committee. However, we generally will not support the ratification of auditors when non-audit fees are greater than audit-related fees and/or instances where it appears that auditor independence might otherwise be compromised. We will support enhanced disclosure of all audit-related and non-audit related fees and services paid to auditors.

2. EXECUTIVE AND DIRECTOR COMPENSATION

We support market competitive salaries and incentives so that management remains engaged and focused on the best interests of the corporation. However, executive compensation should be reasonable, performance-based and structured in a manner that aligns management with the long-term interests of shareholders. We expect that a Compensation Committee comprised of independent directors will evaluate whether the compensation package is properly structured to enhance shareholder value.

2.1. Effective Equity Compensation

We support transparent, reasonable and appropriately structured equity compensation plans that reward superior performance over the long-term. Executives should be encouraged to build equity in the corporation to align their interests with those of shareholders. We will review the features of each plan together with the other aspects of total compensation, and after considering each of the issues, we will determine whether the plan on the whole is reasonable.

2.2. Executive Share Ownership

We will support the use of compensation arrangements that require senior executives to hold a specified number of shares until the end of their tenure with the company.

2.3. Director Compensation

We will support director compensation that reflects the expertise, responsibilities and time commitment expected from directors and that aligns their interests with those of long-term shareholders. We will review these proposals on a case-by-case basis to ensure that the director compensation program aligns directors' interest with those of long-term shareholders without compromising the ability of directors to be independent.

2.4. Advisory Vote on Executive Compensation (Say-on-Pay)

In certain jurisdictions, advisory votes on executive compensation are mandated by law. In other jurisdictions, advisory votes are not mandatory but have been adopted by corporations voluntarily or through shareholder resolutions. In both cases, we will review these votes or proposals on a case-by-case basis.

3. TAKEOVER PROTECTION

Certain takeover protection measures can be detrimental to the long-term interests of shareholders. We distinguish between “new style” shareholders’ rights agreements which may genuinely benefit shareholders and “old style” poison pills which can limit shareholders’ returns by acting as an anti-takeover device.

3.1. General Principles Regarding Takeover Protection

Corporations have developed various protective mechanisms to insulate from unwanted takeover bids and even competitive bidding processes. We will look at takeover protection measures on a case-by-case basis. In exercising our shareholder rights, we will vote for proposals that enhance the long-term value of our investments. We will generally not support proposals that unduly deter a bid or fail to provide equal treatment for shareholders during a takeover. We will evaluate advance notice requirements on a case-by-case basis. However, we will not support advance notice provisions that place unnecessary burdens on shareholders wishing to nominate directors.

3.2. Shareholder Rights Plans

We will consider the approval or ratification of shareholder rights plans on a case-by-case basis. We support shareholder rights plans that permit the board and management sufficient time to respond to takeover offers in a manner that enhances long-term shareholder value for all shareholders. We generally will not support shareholder rights plans that go beyond trying to ensure the equal treatment of shareholders and allowing the corporation sufficient time to consider alternatives, in the event of a bid.

3.3. Purchase Transactions

We will review proposed “going private” transactions and other purchase transactions on a case-by-case basis to determine if the proposed transaction is the best interests of Evovest’s clients.

3.4. Reincorporation

We will support reincorporation proposals in cases where management and the board can demonstrate sound financial or business reasons for the proposal. However, we generally will not support reincorporation proposals that are made as part of an anti-takeover defence or solely to limit directors’ liability.

4. SHAREHOLDER RIGHTS

We believe that shareholder rights, including the right to vote at shareholder meetings, are an important component of share ownership. Certain structures or proposals have the ability to detract from shareholder rights. We will generally oppose structures or proposals that attempt to limit or subordinate the rights of shareholders. Examples of proposals that could potentially limit shareholder rights include dual-class share structures, super-majority voting rights, linked proposals and blank-cheque preferred shares.

4.1. Dual-Class Share Structures

We will generally not support the creation of dual-class share structures.

4.2. Super-Majority Voting Rights

We will review super-majority proposals on a case-by-case basis. We generally will not support any super-majority voting right that exceeds two thirds (66 $\frac{2}{3}$ %) of the outstanding shares, unless it is in Evovest's clients best interest.

4.3. Payment of Greenmail, etc.

We will generally not support proposals that allow for the payment of "greenmail" to a potential undesired bidder for the corporation, or other defences that frustrate a competitive auction process and reduce shareholder value.

4.4. Linked Proposals

We generally will not support linked or bundled proposals except in cases where each individual issue is in Evovest's clients best interests.

4.5. Authorized Shares

We generally will support fixed increases in authorized shares of up to 25%. We will review increases in authorized shares of greater than 25% on a case-by-case basis.

4.6. New Share Issues

We will review proposals for new share issues on a case-by-case basis.

4.7. Blank-Cheque Preferred Shares

We generally will not support either the authorization of, or an increase in, blank-cheque preferred shares, unless the proposal is in the best interests of Evovest's clients.

4.8. Share Buybacks and Dividends

We will support dividend and share buyback resolutions on a case-by-case basis.

4.9. General Principles Regarding Shareholder Rights Proposals

We will review shareholder rights proposals on a case-by-case basis. We will support proposals where we believe doing so would enhance the value of our investment. We will weigh the benefits of the proposal against the possible adverse effects on the issuer and will not support shareholder proposals that place undue constraints on the issuer, its board, its management, or are targeted towards the issuer's operations (which are the responsibility of management). We will not support shareholder rights proposals if, given the ownership structure of the issuer, the proposed right would provide one shareholder, or a group of shareholders, with improper advantages.

5. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We believe that well-managed companies are those that demonstrate high ethical and environmental standards and respect for their employees, human rights and the communities in which they do business and that these actions contribute to long-term financial performance. Corporations should account for their behaviour and its implications for the creation of value. We support the view that companies should maintain policies and procedures with respect to environmental, social, and governance issues that materially affect company performance. These policies should be an integral part of the overall management of a company.

6. CLIMATE CHANGE

We will review climate-related proposals on a case-by-case basis. We generally will support proposals that request disclosure of information on the impact of climate change on a company's operations, as well as associated policies and procedures to address risks and/or opportunities. We will not support proposals that are overly prescriptive, duplicate existing practices or disclosure, or detract from shareholder value. In addition, we will consider withholding votes from the chair of the relevant committee if, in our assessment, we believe that a company is not taking the appropriate steps to mitigate the risks stemming from climate change.

REVIEW

These Guidelines will be reviewed every two years or more frequently if needed