

Manitou Investment Management Proxy Voting Guidelines

Manitou Investment Management's Guiding Principles of Engagement incorporate the dual goals of maximizing shareholder and stakeholder value. We believe that this aligns with our duty to create the most sustainable value for clients over the long term. We are confident that investment firms, such as Manitou, can influence companies in certain ways that create long term value and/or lower overall company specific risk. We accomplish this through open dialogue with management and the Board if

Guiding Principles of Engagement

1. Maximize shareholder value
2. Maximize stakeholder value

necessary, and through the proxy voting process.

These guidelines address the Firm's philosophy as it relates to certain issues that may arise in companies in which we invest. We believe in responsible investing and in some circumstances, it may appear that the economic benefits and the principles conflict. However, in these circumstances, the costs and benefits are weighed to determine our course of action. Fundamental to this, is our belief that long-term value creation is best achieved by investing in businesses that make decisions with a strong understanding of the risks and returns associated with responsible investing.

Proxy voting is crucial to exercising our views regarding responsible investing. We vote to enhance the governance and sustainability of the companies whose shares are held. It is our belief that this leads directly to shareholder wealth creation and helps ensure that investments are made in companies that prioritize sustainability, human rights, and good business practices.

These are guidelines, yet they offer Manitou the flexibility to deviate from them when such actions contravene the guiding principles set out above. We will always vote proxies in the best interest of our clients and from time-to-time, we may vote contrary to one or more of the guidelines. These instances will be infrequent but, in our view – value added.

The ultimate authority in company engagement resides with the Chief Investment Officer (CIO), who should seek board approval for our various engagement policies, including this document, and should seek re-approval for any substantive changes.

These proxy guidelines are reviewed and updated at least annually.

Proxy Voting Process

Our investment process is based on analysts developing a deep fundamental understanding of companies, and as such, our proxy voting process leverages the wealth of knowledge that the analyst possesses. The first step begins with the analyst's recommendation on each of the items proposed. These

recommendations should be made using the policies and best practices contained in this document and must be guided by the two fundamental principles that act as our ‘north stars’ with respect to engagement. In instances where an analyst believes there is a conflict between our voting policies and the welfare of shareholders and stakeholders, the analyst should document the issue and recommend a vote which aligns with our principles.

Proxy voting suggestions made by analysts should be based on several sources. The first source is the proxy voting guideline document, the second is the proxy informational circular or any other relevant reporting from management, the third source is any third-party research (we have a subscription to ISS research and have access to ESG data via our Bloomberg Terminal), through direct conversations with management, and the final source is from the various news subscriptions to which we have access.

After reviewing analyst recommendations, the CIO or their designate will direct the firm’s proxy votes. In instances where the votes are contrary to those recommended by ISS, the rationale will be documented. We retain records of these votes, the analyst’s rationale, and the final decision justification where applicable. With more contentious issues, the ESG Committee will be consulted, however, the CIO (and chair of the committee) has ultimate authority.

General Items

Financial Statements

- Financial statements should be approved unless there are concerns about the accounts presented or suspicions of fraud.

External Auditor

- We expect management to provide justification for a change in audit firms outside the normal course of business.
- Auditor tenure should not exceed 10 years, without justification, however this ought to reflect on the chair of the audit committee not on the appointment of the audit team.
- We typically expect a recognized international accounting firm to provide audit services, or any firm that has adequate resources to handle the audit given the complexity of the engagement.
- We believe that the majority of fees charged by an accounting firm should be related to the audit itself. We expect non-audit related fees to be less than 33% of the total remuneration paid to the accounting firm. Additionally, the nature of non-audit fees should be disclosed.

Poison Pills

- Poison pills are a reasonable defensive mechanism used by companies threatened with an unwelcome takeover bid to make itself unattractive to the bidder. We generally favour this tactic when we believe management is acting in the best interest of its shareholders and oppose poison pills that are simply enacted to discourage takeover bids.

Super Majority Voting Requirements

- Manitou will assess the merits of super majority voting on a case-by-case basis and will oppose instances where minority shareholders rights are being restricted. We generally favour simple majority voting.

Shareholder Proposals

- We support the submission of shareholder proposals as we believe it gives all shareholders a right to be heard. We will review each submission on a case-by-case basis and assess the potential benefits from possible adverse consequences to the company.

Special Meetings

- We support shareholder requests to hold special meetings where the shareholder's holdings are greater than 10% of outstanding shares.

Bundled Proposals

- Bundled proposals combine two or more proposals into one resolution. Although we are not averse to bundled proposals, we would only vote in favour when we agreed with each item included in the proposal.

Dual Class Shares

- Dual class share structures normally favour one class of shares with additional votes. We believe this creates disparities with minority shareholders and creates governance issues. We are in favour of collapsing dual class shares and are opposed to the issuance of new classes of shares.

Amendments to corporate documents

- We support the approval of amending corporate documents where it allows the company to comply with legal and regulatory procedures. We generally vote against management proposals that give the board the exclusive authority to amend bylaws. Amendments will be examined on a case-by-case basis for non-routine items.

Clawback Provisions

- We support clawback policies that permit companies to recoup compensation that was paid on materially misstated or erroneous data.

Approval of dividends

- Dividends should be approved unless they are determined to be excessive.

Board Composition

We are in favour of independent Boards. We define independence as “an individual who has no material ties to a company other than the board seat.” We would classify a director as non-independent when tenure exceeds 10 years.

We normally vote in line with management recommendations regarding board structure and independence when the following applies:

- We favour independent boards and will normally vote against boards where the majority of board members are not independent.
- Sub committees, most notably the audit committee, compensation committee and nominating and governance committee, should be entirely independent as per industry best practice and Manitou will normally vote along this practice.
- We believe effective board sizes range from 8 to 16 members and will consider voting against nominees when outside this range.

- Over-boarding creates a conflict of time between position and should be avoided. Directors who hold an excessive number of positions should be voted against. Participation in more than two major positions on different boards (executive director and chair of a sub-committee for example) is not favorable and should be discouraged.
- Director attendance is a fundamental responsibility of the directors' duties and should remain above 75%. A vote against a director is warranted if they fall below this threshold.
- Diversity at the board level is crucial to the long-term success of business. If a board does not take adequate steps to search for diverse candidates, a vote against the chair of the board should be considered.
- We feel that support should be withheld if less than 30% of the directors are female.
- We support a separation of the chair and CEO positions, except in truly exceptional circumstances, where the combination adds value to shareholders.
- We prefer to vote for each director separately. Where management has elected to enact slate voting, we will vote against all nominees if we believe that significant issues (e.g., Governance, conflicts of interest, compensation practices, etc.) have not been properly addressed by the board.
- We will assess cumulative voting whereby shareholders are able to cast all votes towards one director on a case-by-case basis.
- We prefer annual elections for all board members rather than staggered boards as we believe this effectively matches accountability with performance.
- Generally, a vote against a director should be contemplated for any morally egregious act which calls the character of the director into question.

Audit Committee

- We generally expect the audit committee to be fully independent. We will consider voting against the chair of the committee in instances where irregularities with the financial statements have not been adequately addressed. In more severe circumstances, we will consider voting against all members if we believe the committee members have not fulfilled their duties properly.

Compensation

We believe that all employees should be adequately paid for their respective positions when considering the industries they work in and their contributions to the companies. The board and the compensation committee are responsible for ensuring all executive compensation plans are directly tied to long term shareholder value. In general, Manitou will vote for compensation structures that take into consideration the following:

- Greater compensation disclosure is desirable. A vote against compensation is warranted if disclosure is lacking for an informed analysis to take place.
- Pay should be in line with peers, adjusted for Total Shareholder Returns (TSR) and not based on tenure.
 - Note that TSR is defined as =price appreciation + dividend return
- Financial metrics such as return on equity, return on assets, return on invested capital, etc. should be tracked over time and relative to peers.
- Compensation calculations that rely on financial data should rely on GAAP (or IFRS) metrics as opposed to non-GAAP figures.
- Variable pay should be conditional on achieving meaningful goals. If both short- and long-term objectives are incentivized, then the split should be at least 75% long term.

- Variable compensation should not exceed five times base fixed compensation and would be excessive if it exceeded ten times.
- Guaranteed variable compensation should typically be reclassified as fixed compensation.
- Low interest loans to employees who exercise options is normally not appropriate.
- Excessive executive perks should be avoided.
- Businesses should avoid option grants that are either backdated, or otherwise ‘gamed’ to achieve a near-guaranteed payoff. Likewise, repricing of stock options without prior shareholder approval should be discouraged.
- Incentive structures that link long-term ESG goals with compensation is desirable.
- Provisions permitting excessive payouts in the event of a change of control of the company should be dissuaded.
- Severance policies should not be overly generous. The absolute maximum multiple should not exceed twice the cash compensation. If possible, severance should not be paid for termination related to misconduct or negligence.
- Equity compensation plans should be assessed on a case-by-case basis with the objective of aligning the company’s long-term performance goals. Fully vested securities upon issuance should be discouraged.
- Director share purchases are preferred to option grants or other dilutive incentive structures, as a means of aligning shareholder and executive interests.

A vote against the compensation committee is warranted if pay is misaligned.

ESG Proposals

We believe many ESG initiatives can be accretive to the long-term health and performance of a business. Shareholder proposals relating to ESG, especially environmental and social that are complex in nature and difficult to measure, will be assessed on a case-by-case basis. Our general philosophy on ESG matters include the following:

- We believe diversified work forces lead to better decision making
- We feel that support should be withheld if less than 30% of the directors are female
- We encourage “best practices” as it relates to human capital
- We recognize the crucial importance of consumer and product safety
- We support waste reduction initiatives where total impact is measurable
- We recognize the value of environmental risk assessments
- We support disclosure of political expenditures
- We are in favour of activist board members who are aligned with our guiding principles

Manitou is a UNPRI (United Nations Principles for Responsible Investment) signatory.

Diversity

Manitou recognizes the importance of a diverse workforce.

- Diversity at the board level is crucial to the long-term success of business. However, there are significant concerns with ‘tokenism’, ‘box-checking’ or having diverse candidates for the sake of diversity. Meta-Research points to no relationship between this sort of diversity and equity returns. However, we believe that encouraging a diversity of ideas will have a positive impact on company

performance. Encouraging a diversity of ideas serves the interests of social justice while also avoiding the tokenization of women, minorities, and any persecuted group.

- We define diversity of ideas as bringing contrasting insights and the elevation of different voices at the board level.
- We believe that by seeking out a diversity of ideas a more representative board will be achieved with people of different genders, ethnicities, skin colours, and religions.
- If two candidates are available to fill a single seat and both have similar qualifications our support should be for the candidate who brings a greater diversity of ideas to the board.
- If a board does not take adequate steps to search for diverse candidates, a vote against the chair of the board should be considered.
- We feel a minimum of 30% of directors should be female.

Conflicts of Interest

There are two primary sources of conflict when voting proxies. The first is organizational conflicts, where Manitou has some pre-existing relationship with a company, and/or a director/executive of that company. The second is a personal conflict where an individual with influence over the proxy voting process has either a beneficial or personal stake in the outcome of the proxy vote or could be perceived to have an interest in the outcome. Note that ownership of diversified funds or Manitou mandates do not require disclosure.

To mitigate these conflicts several actions are taken:

- Where Manitou might have conflict, it should be clearly identified and included in the proxy voting filing. Unless the guiding principles are violated, Manitou should strongly consider abstaining from votes where there is perceived or actual conflicts of interest.
- Analysts, the CIO, and anyone the CIO designates to fulfill a role in proxy voting must make disclosures about personal conflicts. These disclosures must include an indication of whether there is a personal holding or beneficial interest in the company identified in the proxy and must indicate whether the individual plans to vote their ballot differently to the proposed vote.

Distribution of Policy

Manitou's Proxy Voting Guidelines are available to clients upon request.