

## Proxy Voting Policy

When acting as portfolio manager, National Bank Trust Inc. and Natcan Trust Services ("NBT") must determine how it will exercise its voting rights. When exercising its voting rights, NBT will follow the guidelines contained in this Policy.

### ***Appointment of a Third-Party***

To assist in monitoring, analyzing and voting the proxies, NBT retained *Institutional Shareholder Services Canada Corp.* ("ISS"), an unaffiliated third-party that provides end-to-end voting service, with dedicated voting agents who support a firm's proxy voting management needs. NBT has carefully reviewed ISS proxy voting guidelines ("*ISS Standard Guidelines*") to ensure that proxies would be voted in the best interest of its clients. Thus, NBT's proxies will be voted in accordance with ISS's guidelines. While NBT will generally vote in accordance with *ISS Standard Guidelines*, there may be circumstances where it believes it is in the best interests of its clients to vote differently. The ultimate decision how proxies will be voted rests entirely with NBT.

*ISS Standard Guidelines* can be consulted on ISS website at <https://www.issgovernance.com/policy-gateway/voting-policies/>

### ***Frequency of update***

NBT will review and update this Policy periodically to ensure it reflects its applicable corporate governance principles and the industry standards. NBT will also review periodically *ISS Standard Guidelines* to confirm they are still consistent with NBT applicable corporate governance principles and the industry standards.

### ***Standing Policy for Routine and Non-Routine Matters***

NBT will generally vote in accordance with *ISS Standard Guidelines* for routine and non-routine matters. However, as mentioned previously, there may be circumstances where NBT will vote differently than as indicated in this Policy considering special circumstances (e.g.; conflict of interest, cost, anticipated benefit,...).

**Routine matters** include proposals such as election of directors, appointment of auditors, indemnification of directors and receipt and approval of financial statements. **Non-routine matters** involve a variety of issues and may be proposed by a company's management or beneficial owners (i.e., shareholders, members, partners, etc.). These proxies may involve one or more of the following: (i) a measurable change in the structure, management, control or operation of the company; (ii) a measurable change in the terms of, or fees or expenses associated with, an investment in the company; or (iii) a change that is inconsistent with industry standards and/or the laws of the jurisdiction of formation applicable to the company.

Any routine and non-routine matters will be examined to assess the impact on the value of securities and in order to determine any adverse implications.

### ***Guidelines for the Voting of Proxies - Overview***

#### ***Conflict of interests***

On an ongoing basis, NBT will identify any material conflicts of interest that exist between the interests of NBT and the interests of its clients. Such conflicts may arise where, for example, an employee or NBT has a personal interest in the outcome of a vote, if the issuer is a client of NBT or has some other relationship with NBT or a client of NBT. Any such material conflict of interest will be reviewed and dealt with in accordance with any applicable regulations and laws.

## **ISS Standard Guidelines for voting proxies**

Below are some examples of ISS Standard Guidelines. For further information with regards to ISS Standard Guidelines and how proxies will be voted, please refer to ISS internet site mentioned above. NBT will generally vote as per ISS Standard Guidelines except if warranted by any special circumstances.

### **1. Board of Directors**

The board of directors has the responsibility for the overall governance of the company. NBT will vote for proposals creating conditions that will enable the board of directors to operate effectively, competently and independently of the company's management.

#### ***a. Voting for Directors - Separate voting and Slate voting (Bundled Directors Elections)***

Generally vote withhold for all directors nominated only by slate ballot at the annual/general or annual/special shareholders' meetings. Slate ballots are contrary to best practices within the Canadian market.

#### ***b. Board Structure***

##### ***i. Board Independence***

Vote withhold for any insider or affiliated outside director where the board is less than majority independent or the board lacks a separate compensation or nominating committee.

##### ***ii. Independent Chair***

Vote for shareholder proposals seeking separation of the offices of CEO and chair if the company has a single executive occupying both positions.

#### ***c. Audit/Compensation Committee – Nomination of Insiders***

##### ***i. Nomination of Former Directors***

Vote withhold for any director who has served as the CEO of the company within the past five years and is a member of the audit or compensation committee. Evaluate on a case-by-case basis whether support is warranted for any former CEO on the audit or compensation committee following a five year period after leaving this executive position.

### **2. Compensation**

#### ***a. Director Compensation***

Director compensation plan should be transparent and align directors' interests with those of the company and its shareholders. NBT will vote on a case-by-case basis on management proposals for an advisory shareholder vote on executive compensation.

#### ***b. Non-Employee Director Participation***

Vote against a management equity compensation plan that permits discretionary Non-Employee Director participation.

#### ***c. Incentive or Equity-Based compensation***

NBT believes that each compensation plan must be reviewed to determine if the individual parts of the plan serve the purpose of providing the right incentives to managers and directors and if

the plan is reasonable. Compensation and incentives to management and directors should be consistent with the long term interests of investors and where positive factors may counterbalance negative factors. Compensation plan will be voted on a case-by-case basis.

### **3. Audit**

#### **a. Ratification of Auditors**

Vote for proposals to ratify auditors unless the following applies:

› Non-audit ("other") fees paid to the auditor > audit fees + audit-related fees + tax compliance/preparation fees.

#### **b. Audit Fee disclosure**

Vote withhold for the members of the audit committee as constituted in the most recently completed fiscal year if there is no disclosure within a reasonable period of time prior to the shareholders' meeting at which ratification of auditors is a voting item.

#### **c. Excessive Non-Audit Fees**

Vote withhold for individual directors who are members of the audit committee as constituted in the most recently completed fiscal year if:

› Non-audit fees ("other") fees paid to the external audit firm > audit fees + audit-related fees + tax compliance/preparation fees.

### **4. Social/Environmental Issues**

NBT will review resolutions on corporate social responsibility matters on a case by case basis. Vote case-by-case, taking into consideration whether implementation of the proposal is likely to enhance or protect shareholder value.

### **Administration of Proxy Voting and Book of Records**

While voting decisions have been delegated to ISS for common share equities, NBT will still monitor the voting decisions. In the case of debt securities, NBT will handle the voting decision directly and ensure that it complies with ISS's guidelines. In any case, NBT will document each event where a vote deviated from this Policy.

Furthermore, NBT, directly or through ISS, will maintain and make available written or electronic copies of each proxy statement received. The following information will be maintained for the proxy voting record:

- the name of the issuer;
- any exchange ticker symbol of the securities;
- the CUSIP or FundSERV number of the securities;
- the meeting date;
- a brief identification of the matters to be voted on at the meeting;
- whether the matters voted on were proposed by the issuer, its management or another person or company;
- whether the issuer voted on the matters; if voted, how the issuer voted; and
- whether the vote was for or against the recommendations of the management of the issuer.

NBT will maintain such records for seven (7) years from the end of the fiscal year during which the record was created.