



**FIERACAPITAL**

## **PROXY VOTING GUIDELINES**

*Applicable to equity portfolios managed by Fiera Capital Corporation and its affiliates*

**APPROVED BY THE PUBLIC MARKETS MANAGEMENT COMMITTEE ON  
February 25<sup>th</sup>, 2021**

# Table of contents

<b>INTRODUCTION .....</b>	<b>1</b>
<b>Scope of the Guidelines.....</b>	<b>1</b>
<b>Objective.....</b>	<b>1</b>
<b>Governing Principles .....</b>	<b>1</b>
<b>SECTION I : BOARD OF DIRECTORS .....</b>	<b>2</b>
1.1 Director Independence.....	2
1.2 Director Diversity and Competence .....	3
1.3 Majority Threshold Voting Shareholder Proposals .....	3
1.4 Cumulative Voting.....	3
1.5 Director and Officer Liability Protection .....	4
1.6 Term Limits .....	4
1.7 Independent Board Chair.....	4
1.8 Director Performance .....	5
<b>SECTION II : RATIFICATION OF AUDITORS .....</b>	<b>5</b>
<b>SECTION III : TAKEOVER DEFENSES AND SHAREHOLDER RIGHTS .....</b>	<b>6</b>
3.1 Shareholder Rights Plan.....	6
3.2 Supermajority Shareholder Vote Requirement .....	7
3.3 Bylaw Amendments .....	7
3.4 Reincorporation Proposals.....	7
3.5 Antitakeover Provisions .....	7
3.6 Quorum Requirements.....	8
<b>SECTION IV : CAPITAL STRUCTURE AND SHAREHOLDERS' RIGHTS .....</b>	<b>8</b>
4.1 Common Stock Authorization .....	8
4.2 Unequal voting rights .....	8
<b>SECTION V : EXECUTIVE AND DIRECTOR COMPENSATION .....</b>	<b>9</b>
5.1 Executive Compensation .....	9
5.2 Director Compensation .....	10
5.3 Other Compensation Plans.....	10
5.4 Shareholder Proposals on Compensation .....	11
<b>SECTION VI : BUSINESS ETHICS AND CORPORATE BEHAVIOR .....</b>	<b>11</b>
<b>SECTION VII : SHAREHOLDER PROPOSALS STANDARDS.....</b>	<b>12</b>
<b>SECTION VIII : SOCIAL AND ENVIRONMENTAL PROPOSALS .....</b>	<b>12</b>
8.1 Diversity and Equality .....	12

8.2	Labor and Human Rights .....	13
8.3	Environment .....	14
8.4	Health and Safety .....	15
<b>SECTION IX : PROXY VOTING PROCEDURES AND RECORD RETENTION .....</b>		<b>15</b>
<b>SECTION X : CONFLICTS OF INTEREST .....</b>		<b>16</b>
<b>SECTION XI : COMPLIANCE MONITORING .....</b>		<b>17</b>

# INTRODUCTION

## Scope of the Guidelines

---

These guidelines govern the exercise, by Fiera Capital Corporation and its affiliates (collectively called “**Fiera Capital**” hereafter), of voting rights at shareholders’ meetings of companies whose shares are held in equity portfolios under its management. The Global President of Public Markets and Global Head of Equities and Liquid Alternatives are responsible for the establishment and annual review of these guidelines.

Note: all references to companies, shareholders, shares, and boards of directors are deemed to include income trusts, unitholders, units, and boards of trustees.

## Objective

---

Fiera Capital will exercise its voting rights in order to maintain the highest standard of corporate governance, sustainability of the business and practices of the companies whose shares are held. High standards are necessary for maximizing shareholders’ value as well as protecting the economic interest of shareholders.

Proxy voting is a key element of Fiera Capital’s integration of environmental, social and governance (“**ESG**”) factors in the investment process. The intent is to provide and communicate Fiera Capital’s guidelines for the exercise of voting rights addressing ESG issues.

## Governing Principles

---

As an investment manager, our mandate is to generate the best returns possible within the risk constraints of each individual investment policy. Within this framework, financial criteria should take precedence over any other factors at all stages of the investment process, including security selection, portfolio construction, and proxy voting. ESG issues are taken into consideration in our fundamental research to the extent that they are material to the financial performance of the company.

These guidelines are not absolute, and each company’s individual circumstances must be weighed at the time of the vote, in particular for companies with unique characteristics (size, stage of development, access to required resources, etc.). Considerations should include the impact of any proposal on the company’s value and operating capacity, without unduly restricting the flexibility of the board of directors or burdening the board with obligations that are outside the scope of the company’s mission. Considerations will also be given to the reasonableness of the costs/benefits of proposals.

While Fiera Capital will generally vote proxies in accordance with the Voting Guidelines specified in this document, there may be circumstances where Fiera Capital believes it is in the best interests of the shareholders to vote differently than the manner the guidelines would indicate, or to withhold a vote or abstain from voting. In such cases, Fiera Capital shall document the rationale when voting differently than the guidelines would indicate.

## SECTION I: BOARD OF DIRECTORS

---

The board of directors must act in the best interest of the shareholders and the company. It has responsibility for the overall governance of the company. As such, it is responsible for appointing the Chief Executive Officer (the “CEO”), monitoring and evaluating senior management, determining the company’s strategic directions and ensuring appropriate follow-up and overseeing controls and risk management. Fiera Capital will support the election of individual directors rather than a full slate of directors.

### 1.1 Director Independence

A majority of directors must be independent of the management of any company on whose board of directors they sit. While our preference is for directors who are all independent, exceptions may be warranted due to a company’s unique characteristics (size, stage of development, access to required resources, specialized knowledge, etc.). For the purposes of these guidelines, an independent director is a person who meets the following criteria:

- Is not a member of management, and is free from any business interest or other relationship that could reasonably be perceived to interfere materially with his/her ability to act in the best interest of the company;

The following types of individuals **would not** be considered independent directors:

- A person who is currently an officer, employee or a service provider to the company, or any of its subsidiaries, or has been within the past three years;
- A person who is an officer, employee or controlling shareholder of a company that has a material business relationship with the company.

Interlocking relationships among board members, in particular when a CEO sits on the board of directors of a company whose CEO sits on his board of directors, weakens the independence of directors, where conflicts of interest might arise if CEOs or executives sit on each other’s boards.

If the board of directors has established board committees, audit committee members **MUST** all be independent, while nominating/governance and compensation committee members **SHOULD** be independent. Similarly, the board of directors must ensure that external auditors are independent of the company’s management.

#### Voting Guidelines:

Except where warranted by a company’s special circumstances:

- Fiera Capital will vote FOR resolutions designed to create or maintain a majority of independent directors.
- Fiera Capital will vote FOR proposals designed to create or maintain audit, nominating/governance and compensation committees with only independent directors.
- Fiera Capital will vote AGAINST/WITHHOLD board nominees where there are interlocking relationships with the management of the company.

## 1.2 Director Diversity and Competence

In order to be effective, a board of directors should not be too small or too large. Adequate board of directors' size will depend on the size and complexity of the company as well as the number of committees of the board. There are also a maximum number of public company's boards that a director can sit on and be effective. A minimum attendance level is also expected from directors. Fiera Capital supports the appointment of qualified directors with diverse backgrounds.

### Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote AGAINST/WITHHOLD board members with poor attendance record, typically less than 75%.
- Fiera Capital will vote AGAINST/WITHHOLD board nominees considered "over boarded". This includes individual directors who sit on more than 5 public company boards, or CEOs that sit on more than 2 public boards besides their own.
- Fiera Capital will vote AGAINST the re-election of members of the nominating/governance committee, or the Chairperson of the Board if the company lacks a formal nominating/governance committee, if:
  - there is not at least one woman sitting on the board;
  - the board lacks diversity and the company has not committed to increasing diversity of its members in the foreseeable future.

## 1.3 Majority Threshold Voting Shareholder Proposals

Fiera Capital believes electing directors is a fundamental shareholder right. Thus, we support majority threshold voting proposals as they allow for an accurate representation of shareholders among the board of directors. Nonetheless, we recognize that the plurality voting standard is acceptable in the event of contested director elections.

### Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR proposals requesting a majority voting standard policy.

## 1.4 Cumulative Voting

Cumulative voting ensures a fair representation of minority shareholders on the board of directors. Thus, Fiera Capital will generally support proposals to permit cumulative voting. However, such proposals have to be considered on a case-by-case basis because in some cases cumulative voting can be used to serve a small group of shareholders' agenda.

## Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will generally vote FOR proposals to restore or permit cumulative voting.

## 1.5 Director and Officer Liability Protection

Directors and officers that have mindfully engaged in activities that are detrimental to the company's success shall not receive liability protection from the company.

## Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote AGAINST proposals to limit or eliminate entirely director and officer liability for: (i) a breach of the duty of care, (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violations of the law (iii) acts involving the unlawful purchases or redemptions of stock, (iv) the payment of unlawful dividends, or (v) the receipt of improper personal benefits.

## 1.6 Term Limits

Fiera Capital believes tenure of a board member should be limited and that sufficient turnover is needed to ensure that perspectives are being added to the board through time.

Shareholders must be given the opportunity, at least on an annual basis, to either reappoint incumbent directors or replace them.

While our preference is for limited board tenure, and sufficient turnover, exceptions may be warranted due to a company's unique characteristics (size, stage of development, access to required resources, etc.). Generally speaking, Fiera Capital will vote for proposals creating conditions that will enable the board of directors to operate effectively, competently and independently of the company's management.

## Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote AGAINST proposals to limit the tenure of directors through term limits. However, boards where the average tenure of all directors exceeds 15 years will be scrutinized for independence from management and for sufficient turnover to ensure that new perspectives are added to the board.

## 1.7 Independent Board Chair

In addition, for directors to be more independent and, as a result, more critical in assessing proposals made by a company's management, it is preferable that the positions of chairperson of the board and CEO remain separate, and if not, that there should be an independent lead director.

## Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will generally vote FOR proposals calling for the positions of chairperson of the board and chief executive officer to be split and for the position of chairperson to be held by an independent director.

## 1.8 Director Performance

In order to ensure that directors work to represent shareholders' best interest, directors' performance should be reviewed regularly.

## Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR proposals to develop and institute performance evaluations for a board of directors, and to include a summary of the evaluations in the annual proxy circular.
- Fiera Capital will vote FOR the directors nominated by management unless the long-term performance of the company or the directors has been unsatisfactory.

## SECTION II: RATIFICATION OF AUDITORS

---

A company's financial statements are the primary source of information about its financial performance. To ensure that this information is both reliable and presented fairly, it must be independently audited.

External auditors should be appointed by a fully independent Audit Committee in order to be considered fair and objective. External auditors will not be considered independent of a company's management if they receive material consulting contracts from management.

## Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR auditor ratification unless:
  - An auditor has a financial interest in or association with the company, and is therefore not independent;
  - There is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position;
  - Poor accounting practices are identified that rise to a serious level of concern, such as fraud; or
  - Fees for non-audit services ("Other" fees) are excessive.
- Fiera Capital will vote FOR proposals to appoint an independent external auditor.



- Fiera Capital will vote FOR proposals requiring that an accounting firm acting as an external auditor disclose to the audit committee or to the board of directors the list of assignments, other than audit-related, that it accepts from the company.
- Fiera Capital will vote on a case-by-case basis for auditor ratification if the Audit Committee is not comprised solely of independent directors, as defined in section 1.1.

## **SECTION III: TAKEOVER DEFENSES AND SHAREHOLDER RIGHTS**

---

### **3.1 Shareholder Rights Plan**

There are two main legitimate purposes for shareholders' rights plan: first, to allow the board of directors' sufficient time to find, develop alternative value enhancing arrangements that are more favorable to shareholders than the initial bid and second, to ensure that all shareholders are treated fairly in the event of a bid for their shares.

Shareholder rights plans must be ratified by the shareholders within a reasonable timeframe following the adoption of such a plan.

#### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- Fiera Capital will generally vote AGAINST shareholders' rights plans, unless it believes that by not doing so, shareholders would not receive equal treatment in the event of a takeover bid or the company would not have enough time to consider alternatives to any such bid.
- Fiera Capital will vote AGAINST shareholders' rights plans that are obviously designed to protect management or create unfair conditions for certain shareholders.
- Fiera Capital will vote FOR proposals requiring shareholders' approval to adopt shareholders' rights plans or to make amendments to those plans.
- Fiera Capital will vote FOR proposals requiring sunset provisions (three years maximum) in shareholders' rights plan.
- Fiera Capital will vote AGAINST the payment of greenmail. The price paid for shares must be identical for all shareholders
- Fiera Capital will vote FOR proposals of a takeover bid if:
  - there are measures to protect the rights of all shareholders;
  - the measure seeks to maximize shareholder value;
  - the measure will allow competing bids to be considered over a reasonable time; and
  - the measure is adopted for a limited period.

### **3.2 Supermajority Shareholder Vote Requirement**

Although supermajority votes can, in some situations, enhance shareholder value, they shouldn't be excessive. As such Fiera Capital will not support supermajority requirements above two-thirds of shares outstanding.

#### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- Fiera Capital will vote AGAINST any supermajority proposal that has more than a two-third majority requirement for charter amendments, mergers and other significant business combinations. Exceptions might be made if it can be clearly demonstrated that it is in the shareholders' best interests.

### **3.3 Bylaw Amendments**

In order to ensure that directors and executives are working for the best interests of shareholders, bylaws should not be amended without shareholder consent.

#### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- Fiera Capital will vote AGAINST proposals giving the board exclusive authority to amend the bylaws.

### **3.4 Reincorporation Proposals**

Fiera Capital will generally support reincorporation proposals that are supported by sound economic reasons. However, we will not support reincorporation proposals intended to protect management and directors' best interests over those of shareholders in the event of a takeover bid.

#### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- Fiera Capital will vote AGAINST proposals to reincorporate or restructure that are based solely on a desire to counter a takeover bid; however, it will support reincorporation or restructuring based on financial, business or economic reasons.

### **3.5 Antitakeover Provisions**

Fiera Capital will consider takeover bids on a case-by-case basis, using the interests of shareholders as its primary criterion. We will not support antitakeover measures that protect management's best interests over those of the shareholders.

#### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR proposals that seek to remove antitakeover provisions.
- Fiera Capital will vote AGAINST any defensive initiative consisting of the sale of the company's best assets, unless such a sale is shown to be in the best interests of shareholders.
- Fiera Capital will vote AGAINST escrow agreements if they are obviously designed to hamper rival bids that could be more beneficial to shareholders.

### **3.6 Quorum Requirements**

Quorum requirements should be high enough to avoid that a small group of shareholders has excessive control over the votes. Nevertheless, these requirements should be reasonable enough to be achievable.

#### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- Fiera Capital will vote AGAINST proposals to reduce quorum requirements for shareholder meetings below a majority of the shares outstanding unless there are compelling reasons to support the proposal.

## **SECTION IV: CAPITAL STRUCTURE AND SHAREHOLDERS' RIGHTS**

### **4.1 Common Stock Authorization**

Any measure that entails the creation of new shares or an amendment to the features of existing shares must be dealt with through a proposal to shareholders as it directly affects their rights. That said, it may be advisable to provide directors with an opportunity to create new shares for various purposes where warranted by the interests of the company, e.g. to give effect to a stock split or to fund a restructuring or acquisition.

#### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- Fiera Capital will vote on a case-by-case basis for proposals to increase the number of shares of common stock authorized for issue, taking into account the size of the increase, the company's rationale for additional shares, the company's past use of authorized shares, and the risk to shareholders if the request is not approved.
- Fiera Capital will vote AGAINST the issue of "carte blanche" preferred shares whose terms and conditions may be determined by the board of directors without consulting shareholders unless it is clearly established that such shares are in the interests of shareholders

### **4.2 Unequal voting rights**

Fiera Capital wishes to maintain the principle that the same rights (e.g. voting rights) are attached to each and every share of a company, and to avoid having a company controlled by a minority of shareholders holding a majority of voting rights. As a firm, Fiera Capital appreciates the role of founders in the management of an ongoing concern and that, when warranted, flexibility may be owed to founders of small and growing companies.

## Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote AGAINST the creation or extension of dual-share class ownership (subordinate shares, multiple voting shares, etc.) and will vote FOR the abolition of any such system.

## **SECTION V: EXECUTIVE AND DIRECTOR COMPENSATION**

---

### **5.1 Executive Compensation**

A compensation plan must contribute to aligning the interests of executives with the long-term interests of the company and its shareholders.

Compensation plans must factor in market conditions and the need to attract and retain qualified people without being excessive.

The incentive (variable) component of compensation should be linked to objective factors such as increased revenue or profitability, return on investment or other similar measures which should be disclosed. There should be a link between total pay and performance.

## Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR proposals to set minimum stock ownership requirements for executives.
- Fiera Capital will vote FOR proposals designed to create or maintain a compensation plan for executives based on the attainment of objectives that are consistent with the long-term interests of the company and its shareholders; such objectives should be disclosed.
- Fiera Capital will vote FOR proposals relating to bonus and equity plans that provide for clawbacks in the case of fraud or restatement of financial statements.
- On a case-by-case basis, Fiera Capital will examine proposals relating to loan programs for executives and will insist that the required interest rate be at least equal to the market rate.
- On a case-by-case basis, Fiera Capital will examine proposals relating to severance compensation and will oppose any that appear excessive or unjustifiable (golden parachutes).
- Fiera Capital will generally vote AGAINST Stock Appreciation Rights ("**SARs**"), tandem SAR's, and options carrying the right to receive the value of the option in shares. Fiera Capital will vote AGAINST option plans that give a board the right to create such vehicles without seeking shareholders' approval.
- Fiera Capital will generally vote AGAINST evergreen and rolling maximum option plans

## 5.2 Director Compensation

Director compensation plan should be transparent and align directors' interests with those of the company and its shareholders. Compensation through stock ownership aligns interests of directors and shareholders.

Directors' compensation should reflect their responsibilities, expertise, time commitment and extent of participation on committees of the board.

### Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR proposals to set minimum stock ownership requirements for directors.
- Fiera Capital will vote FOR proposals that seek to pay outside directors a portion of their compensation in stock rather than cash.
- Fiera Capital will vote AGAINST stock options for outside directors, unless it is considered the only way to attract outside talent by taking into consideration the capitalization of the company and specific industry.
- Fiera Capital will vote AGAINST retirement plans for non-employee directors and FOR shareholders proposals to eliminate retirement plans for non-employee directors.

## 5.3 Other Compensation Plans

Fiera Capital believes that equity-based compensation plans align the interests of executives with those of the company and its shareholders, when set within reasonable terms. We will generally favor stock ownership plans over stock option plans. For such compensation plans, performance thresholds should be in place through performance-based vesting instead of only time-based vesting.

### Voting Guidelines:

Except where warranted by a company's special circumstances:

- On a case by-case basis, Fiera Capital will evaluate proposals for stock option plans, considering factors such as dilution to existing shareholders, issue price, vesting conditions, minimum projected holding period, maximum exercise term, etc. in making its assessment.
- However, Fiera Capital will generally vote AGAINST resolutions dealing with stock plans that result in or could result in:
  - options being repriced as a result of lower share prices
  - options being repriced as a result of distributions paid on the underlying shares
- Fiera Capital will generally vote FOR Employee Stock Purchase Plans where the following applies:
  - Purchase price is at least 85% of fair market value;

- The number of shares allocated to the plan is 10% or less of the outstanding shares.

## 5.4 Shareholder Proposals on Compensation

Shareholders should always be able to voice their opinion on directors' compensation plans and, as such, we support proposals to disclose compensation plans and "say-on-pay" votes. Proposals related to the compensation plan of directors should be separate from those related to compensation plans for executives.

### Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR any proposal in favor of disclosing compensation plans for executives.
- Fiera Capital will vote FOR any proposal in favor of disclosing compensation plans for directors.
- Fiera Capital will vote FOR proposals that call for annual non-binding shareholder ratification of executives and directors compensation plans.
- Fiera Capital will assess shareholder proposals on a case-by-case basis requesting that the executive compensation be based on non-financial factors, including the company's performance on social and environmental objectives. Fiera Capital will consider factors such as the company's past social and environmental performance compared to its peers and the relevance of these objectives to the company.

## **SECTION VI: BUSINESS ETHICS AND CORPORATE BEHAVIOR**

---

The globalization of financial operations has highlighted the role and responsibility of financial institutions with respect to several practices that are sometimes legitimate but can also be used for illegal purposes to corrupt the political process or to support criminal activity.

We are against the use of corporate funds for any purpose to influence the political process. We understand that there are many methods a corporation can use to influence the political process in a democracy, and this includes direct donations to political parties, contributions to committees to influence the political process, and payments to lobbyists. We are against the use of corporate funds for all of these purposes and will support shareholder initiatives that either require companies to disclose these activities when they occur, or actually eliminate or limit them.

### Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR any proposal designed to counter the use of financial tools for illegal purposes, both in Canada and abroad.
- Fiera Capital will vote FOR any proposal designed to prohibit or counter methods of corruption in any country whatsoever.

- Fiera Capital will vote AGAINST any financial contribution to a political party, although, should such contributions be made, it will vote FOR any proposal calling for their disclosure, regardless of the country in which such contributions are made.

## **SECTION VII: SHAREHOLDER PROPOSALS STANDARDS**

---

Fiera Capital expects boards of directors to respect the shareholder democratic process, and as such, expects boards to address issues when proposals receive significant voting opposition from shareholders.

Shareholders must also have access to full and accurate information about the company.

Shareholders must be able to consider each proposal that is submitted to them independently of all other proposals.

Shareholders must be able to submit proposals at shareholders' meetings; they must also be given an opportunity to justify their proposals so that all shareholders may vote advisedly. However, their proposals should not be designed to unduly restrict the freedom of action enjoyed by the company's directors or executives, nor to dilute the fiduciary responsibility of the board to the company or to create a liability to persons who are not shareholders.

### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- On a case-by-case basis, Fiera Capital will review shareholders' proposals and will generally support proposals expected to enhance shareholders' value or improve disclosure when it enables shareholders to better assess risk taking into consideration the cost of doing so.

## **SECTION VIII: SOCIAL AND ENVIRONMENTAL PROPOSALS**

---

Fiera Capital recognizes that ESG factors can impact the performance of the companies whose shares are held and that the appropriate management of these factors can enhance the sustainability of the business and its profitability.

### **8.1 Diversity and Equality**

Diversity encompasses differences in backgrounds, qualifications and experiences as well as differences in approach and viewpoints. These differences include gender, gender identity, sexual orientation, age, ethnicity, religious or cultural background, disability, marital or family status, and other areas of potential difference.

Fiera Capital is in favor of companies committed to fostering a culture of inclusivity and diversity that promotes equality and respect through a harmonious and collaborative work environment.

### **Voting Guidelines:**

Except where warranted by a company's special circumstances:

- Fiera Capital will vote on a case-by-case basis for proposals asking for reports on topics related to the company's diversity and equality policies, including but not limited to:
  - Gender and racial diversity in the workforce;

- Gender pay gap;
- Progress toward Glass Ceiling Commission recommendations;
- Efforts to eliminate racial stereotypes in advertising and;
- Strategies to prevent discrimination based on gender, gender identity, sexual orientation, age, ethnicity, religious background or disability in the hiring process.

When evaluating such proposals, we will consider:

- The company's current policies and disclosure related to diversity and equality in the workplace;
- Whether the company has been the subject of recent controversy or litigation related to diversity issues in its workforce or discrimination;
- Whether the company's reporting regarding diversity and equality policies or initiatives is lagging its peers; and
- Whether such report can be produced at reasonable cost.

## 8.2 Labor and Human Rights

Generally speaking, Fiera Capital is in favor of proposals calling for the respect of human rights, in Canada and elsewhere in the world, where such proposals are based on the universal principles established by the UN's Universal Declaration of Human Rights, by the conventions of the International Labour Organization ("ILO"), by the Canadian Charter of Rights and Freedoms, by U.K. Modern Slavery Act 2015, or by any other document whose universal scope is recognized.

### Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR the adoption of codes of conduct or of initiatives in any of the following areas:
  - Workers' rights as defined by the ILO, e.g. the prohibition of forced labour, the prohibition of child labour (under 15 years of age), the prohibition of discrimination in employment and in working conditions, and the right of association and of collective bargaining.
  - Basic rights in conflict areas.
  - Ensuring adequate working conditions in all facilities of the company, its subcontractors and suppliers throughout the world.
- Fiera Capital will vote FOR any resolution calling for an internationally recognized certification organization to ascertain the respect of human rights in the facilities of the company, its subcontractors and suppliers and to formulate appropriate recommendations.
- Fiera Capital will vote on a case-by-case basis for proposals asking for more disclosure on topics related to the company's labor and human rights policies and efforts, including but not limited to:
  - Human rights standards across the supply chain;



- Workplace codes of conduct of the company and its suppliers;
- The company's operation's potential disruptions to local communities and;
- Risks associated with outsourcing.

When evaluating such proposals, we will consider:

- if it can be done at a reasonable cost,
- if the issue is deemed to be material for the specific company's industry,
- The company's current level of disclosure and policies compared to its peers,
- If the company has recently been involved in controversies related to this issue

### 8.3 Environment

Fiera Capital believes climate change represents an important risk both in the short and long term and that companies should seek ways to mitigate climate change risks and plan accordingly. Fiera Capital will generally be in favor of additional disclosure on climate change risk mitigations and the objective of limiting the global average temperature increase to well below 2°C, as described in the Paris Climate Accord.

Fiera Capital supports the adoption of policies to minimize a company's environmental impact as it represents a risk to shareholders and to society at large. We recognize that not all environmental issues are material to every industry, but we expect policies on matters such as biodiversity and land conservation, toxic emissions mitigations or waste management.

We believe that the Financial Stability Board's Task Force on Climate Related Financial Disclosures ("TCFD") and the Sustainability Accounting Standards Board ("SASB") provide sector-specific disclosure standards that serve as useful guidance for companies to identify, manage, and report on climate-related risks.

The company's primary objective remains, to succeed economically. While social involvement may be assumed to interfere with this purpose, experience shows that a company that is firmly rooted in its community is more resilient and more likely to succeed over the long term.

#### Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will generally vote FOR any proposal calling for compliance with the CERES code or with any other internationally recognized codes for environmental protection or FOR the adoption of consistent policies, if the issue is relevant to the company's operations.
- Fiera Capital will generally vote on a case-by-case basis for proposals seeking disclosure of the environmental impacts of a company's operations and products, company initiatives and corporate sustainability report, in line with TCFD's and SASB's reporting standards, on issues such as but not limited to:
  - Efforts to mitigate climate change;
  - GHG emissions and efforts to mitigate them;
  - Activities related to renewable energy;
  - Nuclear energy procedures
  - Potential environmental impact of the company's operations in protected areas and;

- Mining, drilling and logging in environmentally sensitive areas;
- Water intensity of the company's operations

When evaluating such proposals, we will consider:

- if it can be done at a reasonable cost,
- if the issue is deemed to be material for the specific company's industry,
- The company's current level of disclosure and policies compared to its peers,
- If the company has recently been involved in controversies related to this issue

## 8.4 Health and Safety

Generally, Fiera Capital will support proposals for additional disclosures and adoption of best practices related to product and labor health and safety. We expect companies that we invest in to adhere to local and international standards when applicable.

### Voting Guidelines:

Except where warranted by a company's special circumstances:

- Fiera Capital will vote FOR proposals asking companies to report on policies related to consumer and employees' health and safety, including but not limited to:
  - The promotion and/or environmental cleanup of toxins;
  - Efforts to reduce the use of "harmful" ingredients in products;
  - Efforts to mitigate toxic emissions;
  - Accident risk reduction efforts;
  - The use of genetically engineered organisms in products;
  - Efforts to limit the sale of tobacco to children;
  - Drug pricing.

When evaluating such proposals, we will consider:

- if it can be done at a reasonable cost,
- if the issue is deemed to be material for the specific company's industry,
- The company's current level of disclosure and policies compared to its peers,
- If the company has recently been involved in controversies related to this issue

## SECTION IX: PROXY VOTING PROCEDURES AND RECORD RETENTION

---

Fiera Capital uses an external proxy advisory service provider, currently Institutional Shareholder Services Inc. ("**ISS**"), an independent firm with expertise in global proxy voting and corporate governance issues, to augment our internal processes.

ISS is responsible for a variety of functions, including coordinating with client custodians to obtain proxy materials; ensuring proxies are administered in a timely fashion; providing Fiera Capital with comprehensive voting recommendations as well as customized proxy proposals based on Fiera Capital's guidelines; and executing the voting of proxies in accordance with Fiera Capital's guidelines.

Fiera Capital will appoint a Fiera Capital investment professional to act as a Proxy Manager for each strategy where proxy-voting decisions are made. The Proxy Manager will review the ballots on ISS's web platform, ProxyExchange, and submit his or her voting decision.

In the event that the Proxy Manager votes differently than what Fiera Capital and/or ISS's guidelines would indicate, the Proxy Manager will be required to provide and certify the following items in ProxyExchange: (1) a written rationale supporting his or her recommendation and; (2) a certification that he or she was not aware of a material relationship with the issuer and/or personal or business relationship that could present an actual or potential conflict of interest with Fiera Capital and that of its clients.

The processes described below are put in place with the ultimate objective to cast 100% of proxy votes held on behalf of our clients for whom we have voting authority.

When votes are casted differently than what Fiera Capital's guidelines would indicate or what the external proxy advisory service provider recommends, the rationale provided by the Proxy Manager will be reviewed under the supervision of the Proxy Voting Committee. Members of the Proxy Voting Committee will also be responsible for ensuring consistency in the application of Fiera Capital's guidelines.

#### **EXCEPTIONS TO THE ABOVE:**

For Fiera Capital client portfolios or funds advised by an affiliate of Fiera Capital Corporation, proxy votes may be voted directly by such affiliate (a "**Direct Proxy Vote**"). In such an event, the affiliate concerned shall document the rationale for such vote if it diverges from Fiera Capital's proxy voting guidelines or (where relevant) the external proxy advisory service provider's recommendation. In such a case, the rationale for diverging from the voting guidelines will be communicated to the members of the Proxy Voting Committee. For client accounts where the client is an insider of an issuer held in their client account, Fiera Capital shall vote in accordance with the management recommendation. In cases where the management recommendation differs from Fiera Capital's proxy voting guidelines or external proxy advisory service's recommendation, the votes for the account held by an insider of the issuer will be separated from the votes of any other client accounts; in such a case, this will be communicated to the members of the Proxy Voting Committee.

Fiera Capital may vote in accordance with guidelines that are dictated by its clients or that are of significance for specific groups of clients.

Fiera Capital will not process the votes for non-managed accounts as it does not have the authorization to do so.

## **SECTION X: CONFLICTS OF INTEREST**

---

ISS will vote proxies in accordance with the Voting Guidelines described or, in instances where a material conflict has been determined to exist, as ISS recommends. Where a material conflict has been determined to exist in a matter the subject of a Direct Proxy Vote, the members of the Proxy Voting Committee will determine how to exercise such vote. We believe that this process is reasonably designed to address material conflicts of interest that may arise in conjunction with proxy voting decisions. Potential conflicts considered by the Proxy Voting Committee when it is determining whether to deviate from Fiera's Voting Guidelines include: a material client relationship with the issuer; or personal or business relationships between the portfolio managers and an executive officer or director.

## **SECTION XI: COMPLIANCE MONITORING**

---

Fiera Capital ensures that compliance with the Proxy Voting Guidelines is assessed annually and any material deviation will be reported to the Proxy Voting Committee.