



**PINESTONE ASSET MANAGEMENT INC.**

**PINESTONE PROXY VOTING GUIDELINES**

**(Website Version)**

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## 1. PURPOSE OF THE GUIDELINES

These guidelines govern the exercise, by PineStone Asset Management Inc. (“PineStone”), of voting rights at shareholders’ meetings of companies whose shares are held in equity portfolios under its management.

PineStone 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. A proxy voting administrator (the “Administrator”) is responsible for the execution of this guidelines and for the coordination of the Firm’s proxy voting process.

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

## 2. GUIDELINES OWNER

Chief Compliance Officer

## 3. PERSONS AFFECTED

The Guidelines applies to PineStone employees.

## 4. DEFINITIONS

### **Environmental, Social and Governance (ESG) Issues:**

**Environmental (E):** Issues relating to the quality and functioning of the natural environment and natural systems. These can include greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management and changes in land use.

**Social (S):** Issues relating to the rights, well-being and interests of people and communities. These can include human rights, labour standards, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations, diversity, and relations with local communities.

**Governance (G):** Issues relating to the governance of companies. These can include board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure, business ethics, bribery and corruption, internal controls, and risk management. This category may also include business strategy implications for environmental and social issues and strategy implementation.

**Institutional Shareholder Services, Inc. (ISS):** Is the service advisory firm retained by PineStone. ISS handles the operational tasks related to proxy voting, including ballot information collection and vote submissions.

**Laws and Regulations:** Any laws, regulations, rules, bylaws, notices, national instruments, policies, blanket orders, mandatory guidelines, and other regulations imposing mandatory obligations including those adopted by regulatory and self-regulatory organizations and applicable to PineStone.

**Voting Guidelines:** Are the guidelines set by PineStone in order to vote proxies on behalf of PineStone’s clients.

### **5. GUIDELINES**

#### **5.1 Governing Principles**

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 (i.e., size, stage of development, access to required resources). 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 and the benefits of proposals.

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

#### **5.2 Corporate Governance Principles**

The corporate governance voting principles contained in this section outline some of the principles that PineStone reviews and analyzes with regards to proposals that are submitted during shareholder meetings of public companies.

- a) Board of Directors Governance.
- b) Board of Directors Independence.
- c) Separation of Chairman and CEO Positions.
- d) Board Structure and Board Terms.
- e) Board of Directors Compensation.
- f) Executive Compensation.
- g) Takeover Defenses.
- h) Ratification and Independence of External Auditors.
- i) Capital Structure and Shareholders' Rights.
- j) Business Ethics and Corporate Behaviour.

#### **5.3 Environmental and Social Responsibility Principles**

The Environmental and Social Responsibility voting principles contained in this section outline some of the principles that PineStone reviews and analyzes with regards to proposals that are submitted during shareholder meetings of public companies.

- a) Diversity, Inclusion and Equality.
- b) Labour and Human Rights.
- c) Health and Safety.

- d) Environment and Sustainability including Climate Change.
- e) ESG Disclosure.

### **5.4 Conflicts of Interest**

In the event that a member of the Investment Team responsible for determining PineStone's proxy vote becomes aware of a material conflict of interest in connection with a proxy vote, the Compliance Department must be notified.

If a member of the Investment Team detects a material conflict of interest in connection with a proxy solicitation that was not disclosed in accordance with these guidelines, it will notify the Compliance Department and PineStone will vote the proxies in accordance with ISS's recommendation.

ERISA prohibits fiduciaries from acting on behalf of a plan in situations in which the fiduciary is subject to a conflict of interest. Thus, if PineStone determines that it has a conflict of interest with respect to the voting of proxies, the Firm must either seek the client's informed direction or retain an independent person to direct the Firm how to vote the proxy in the best interests of the ERISA account.

### **5.5 Class Actions**

Generally, PineStone does not participate in class actions or notify the client of class action notices received unless there is an express written agreement or other written instruction from the client. Notices received by PineStone will be re-directed to the client's custodian unless otherwise instructed.

### **5.6 Disclosure**

PineStone will provide a summary of these policies and procedures in its Form ADV Part 2A for US Clients or via its Relationship Disclosure Information document for Canadian clients to be furnished to clients. PineStone will further provide a copy of these policies and procedures to any client upon request. In addition, PineStone will inform its clients how they can obtain further proxy voting information about their own proxies. PineStone will ensure that Part 2 of Form ADV or the Relationship Disclosure Information document is updated as necessary to reflect:

- (i) All material changes to these guidelines.
- (ii) Regulatory requirements.

**6. GUIDELINES ADMINISTRATION**

**6.1 Roles and Responsibilities**

**Employees:**

It is the responsibility of Employees to:

- Respect PineStone’s Policies, Guidelines and Procedures.
- Report any violation of a policy, guidelines and/or a procedure that they may have identified to the Chief Compliance Officer.

**Chief Compliance Officer:**

It is the responsibility of the Chief Compliance Officer to:

- Review the Guidelines on a regular basis.
- Approve all required changes in writing.
- Communicate all changes to all employees in writing and in a timely manner.
- Provide exceptions to policies if deemed necessary.
- Monitor the application of PineStone’s Policies and Guidelines adopted.

**6.2 Books and Records**

All documentation must be retained in a secure location in accordance with these guidelines and PineStone’s Books and Records Chart.

**6.3 Version History**

<b>Version 1</b>	<b>October 2022</b>
<b>Version 2</b>	<b>May 2023</b>