MONTRUSCO BOLTON

Stewardship Policy

Last revised: June 2025

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1. INTRODUCTION

Montrusco Bolton Investments Inc. ("Montrusco Bolton") is an independent Canadian asset management firm dedicated to delivering long-term, risk-adjusted performance with quality service and governance. Montrusco Bolton was formed in 1999 following the merger of two well-established asset managers, Montrusco Associates and Bolton Tremblay, with a legacy dating back to 1946. Headquartered in Montreal, the firm has an entrepreneurial culture with long-term strategic partners, a robust infrastructure, and sound governance, as well as a diversified investment offering. The company is privately owned and serves institutional clients in Canada, the United States, Europe, Asia and Australia.

We are committed to delivering financial performance for our clients through developing in-depth knowledge of portfolio candidates before investing in them. This means deepening our understanding of the internal and external forces that impact their operations. We also consider that companies which implement strong governance practices and effectively manage the material environmental and social impacts of their business activities are more likely to stay competitive and generate long-term value for investors and our society.

We believe that the incorporation of material environmental, social and corporate governance ("ESG") factors into our investment process is part of our fiduciary duty and essential to assessing financially material risks and opportunities, contributing to our ability to deliver long-term performance to our clients.

Montrusco Bolton became a signatory of the Principles for Responsible Investment (PRI)[1] in 2011, an investor initiative in partnership with the United Nations Environment Programme (UNEP) Finance Initiative and the UN Global Compact[2] (https://www.unpri.org/).

This Policy outlines Montrusco Bolton's approach to stewardship. It is reviewed annually and updated to reflect changes in our processes and advancements in the field. It does not reference any regulations enacted by local or international authorities.

[1] The six UN Principles for Responsible Investment are detailed here: https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment.

[2] For more information about the UN Global Compact Principles, visit: https://unglobalcompact.org/what-is-gc/mission/principles.

2. SCOPE OF THIS POLICY

Montrusco Bolton's Stewardship Policy (the "Policy") covers all internally managed assets, including Canadian, US and Global Equities and Fixed Income.

3. STEWARDSHIP PHILOSOPHY

The PRI defines stewardship as: "The use of investor rights and influence to protect and enhance overall long-term value for clients and beneficiaries, including the common economic, social and environmental assets on which their interests depend."

At Montrusco Bolton, we acknowledge that environmental, social, and governance (ESG) factors can impact the value of securities in our portfolios and have broader systemic effects on communities and the planet.

We seek to invest in companies, across all industries, that uphold robust governance practices and effectively manage environmental and social issues linked to their operations. We believe these practices not only sustain competitiveness but also drive long-term value for investors and society. This conviction guides our thorough assessment of potential portfolio candidates, ensuring we grasp both the internal dynamics and external factors influencing their performance.

We are committed to an active ownership approach, which we believe benefits both the companies in which we invest and our clients' portfolios. Our investment teams work in close collaboration with the management teams of portfolio companies to identify potential areas of risk in terms of ESG issues with the objective of reducing the financially material ESG risks to which investment strategies are exposed.

Montrusco Bolton's stewardship tools include engaging with issuers, both individually and in collaboration with other investors, engaging with policy makers, and exercising voting rights.

4. ENGAGEMENT

Direct engagement with issuers

Engagement per sector is led by an analyst, who is well positioned to evaluate management quality, competitive advantages, capital allocation and sustainability practices. Ongoing discussions with management teams are aligned with the SASB[3] Materiality Map to focus on important factors for the related industry. Lastly, our investment teams strive to develop long-term relationships with company management teams and to have consistent dialogue that is respectful and creates mutual trust.

We aim to engage with management teams of portfolio holdings on a regular basis, particularly with those companies that, according to our analysis, require improvements in their management of ESG issues, to maintain an open dialogue and track progress on engagement topics. Each meeting is documented in our database for reference and monitoring.

In addition, we encourage our investee companies to develop policies on key ESG issues related to their business activities and to establish practices that comply with the following international standards:

- International Labour Organization Declaration on Fundamental Principles and Rights at Work,
- OECD Guidelines for Multinational Enterprises.

We also commit to encouraging companies to uphold the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), engaging with Indigenous communities in a manner that is respectful, transparent, and focused on mutual benefit.

Collaborative engagement

Collaborative engagement occurs when a group of investors come together to engage with the issuers of the securities in their portfolios. Collaborative engagement is complementary to individual engagement; it is not a substitute for it. In recent years, numerous collaborative engagement initiatives have taken shape. Montrusco Bolton believes that collaborating with investors can lead to the achievement of shared goals, in particular when it comes to addressing systemic challenges.

[3] SASB Standards guide the disclosure of financially material sustainability information by companies to their investors. Available for 77 industries, the Standards identify the subset of environmental, social, and governance issues most relevant to financial performance in each industry.

In addition to Montrusco Bolton's direct active engagements, we believe that collaborative engagements represent an effective way to promote the advancement of ESG practices. We aim to focus on themes that are relevant to Montrusco Bolton's investment strategy and philosophy, and that allow for proactive participation in the responsible investment movement, such as systemic ESG issues (e.g. climate change and the transition to a lower-carbon economy) and the promotion of better ESG disclosures from corporates.

Engagement with policy makers

Our approach to active ownership includes potentially engaging with policy makers and standard setters when appropriate. We are open to seek engagement opportunities to improve ESG practices and create long-term, sustainable value for companies, investors and society as a whole.

We actively engage in responsible investment in Canada, including promoting the Principles for Responsible Investment (PRI).

5. EXERCISING VOTING RIGHTS

By exercising voting rights, shareholders can influence decisions on matters presented at annual shareholder meetings. Most proposals are submitted by management and typically involve issues such as electing directors and compensating key executives.

Exercising our voting rights is a core component of our active ownership strategy, critical to maximizing the long-term value of our investments. We assess proxy proposals in line with our Proxy Voting Policy, which includes guidelines on environmental and social issues.

Proxy issues related to ESG factors are evaluated on a case-by-case basis, considering the international conventions to which Canada is a signatory, such as the United Nations Declaration of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

Montrusco Bolton uses Institutional Shareholder Services (ISS)'s platform to streamline the proxy voting process.

Voting on shareholder proposals

We see voting on shareholder resolutions as an important mechanism for influencing change. It enables shareholders to come together, direct attention to specific actions, and show the company that stakeholders are advocating for particular changes. As a general approach, we support resolutions that align with the principles outlined in our Proxy voting Policy and our Responsible Investment Policy. Before making a voting decision, we assess independently both the content and the structure of the resolutions put forward.

Link to Montrusco Bolton's Proxy Voting Policy:
https://www.montruscobolton.com/wp-content/uploads/2023/10/Montrusco-Bolton-Proxy-Voting-Policy-2023.pdf.

6. ESCALATION

While we strive for productive engagement with the companies in which we invest, there are instances where our efforts may not lead to meaningful progress, for instance if there is minimal advancement, a deterioration in the company's practices, or if the company is unwilling to take into consideration our concerns. When these challenges arise, we may escalate our approach. This can involve formally documenting and communicating concerns to the company's management or board, leveraging our voting rights, or, in some cases, considering divestment, either in part or in full.

Divestment is typically viewed as a last resort, following several unsuccessful engagement attempts. It may also become necessary if the company faces a major crisis, exhibits poor conduct, or breaches the principles outlined in Montrusco Bolton's Responsible Investment Policy.

Link to Montrusco Bolton's Responsible Investment Policy:
https://www.montruscobolton.com/wp-content/uploads/2023/01/Montrusco-Bolton-Responsible-Investment-Policy-2024.pdf

7. DISCLOSURE

Transparency is a key principle in our stewardship approach. We are dedicated to keeping our clients informed by providing clear disclosures about our stewardship activities.

We publish the results of our voting activities relative to our pooled funds investments, which can be accessed on our website at the following link:
https://www.montruscobolton.com/resources/important-documents/.

8. CONFLICTS OF INTEREST

We recognize that conflicts of interest may arise in our stewardship activities. We are committed to acting in the best interest of our clients and have implemented robust policies and procedures to prevent, identify, and manage any conflicts of interest. These mechanisms are fully aligned with the regulations governing our role as an asset manager and are designed to ensure that the best interests of our clients remain the top priority.