
FOYSTON, GORDON & PAYNE INC.
INVESTMENT COUNSEL
RESPONSIBLE INVESTMENT POLICY
December 2025

TABLE OF CONTENTS

3 Introduction

3 What is the PRI?

4 Our Commitment to Responsible Investment

5 Our Approach

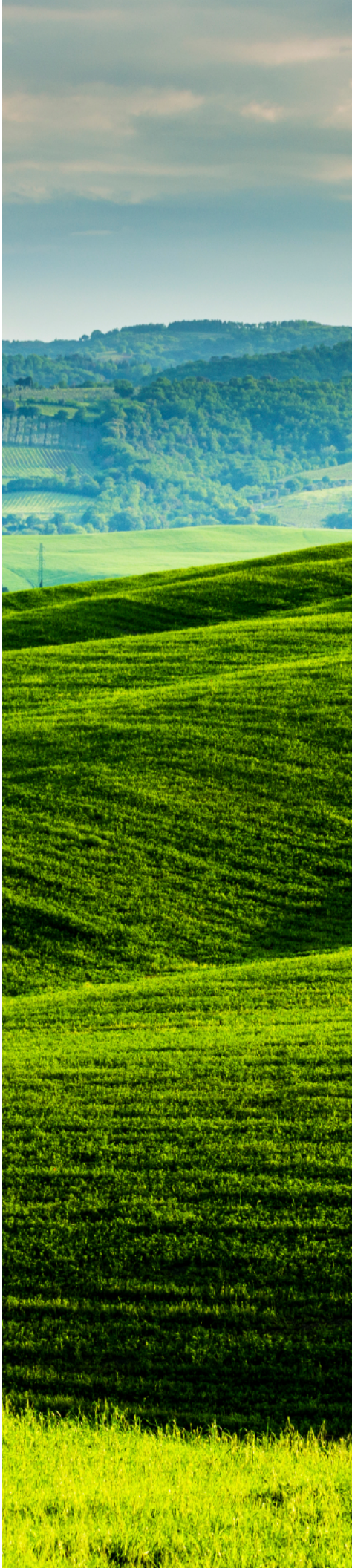
7 Our Responsible Investment Guidelines & Stewardship

9 Our Governance Structure

9 Internal ESG Audit

10 Appendix A - Stewardship Policy

11 Appendix B - Proxy Voting Policy



Introduction

Companies that effectively address Environmental, Social and Governance (ESG) issues tend to be more attractive long-term investments. ESG factors are therefore an important component of our fundamental investment analysis, and by taking an active approach to integrating ESG factors into our decision-making process, we are improving risk management for our clients' portfolios.

Climate change is a fact that cannot be denied and FGP supports The Paris Agreement's goal to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We participate in this transition by looking for sustainability outcomes at the company level, usually the reduction of greenhouse gas emissions.

In 2017 we became a signatory to the UN Principles for Responsible Investment (UNPRI, currently known as the PRI), as part of our ongoing commitment to enhancing our ESG research process, including engaging with company management to educate them on best practices and policies and to encourage their adoption.

FGP's Executive Committee is tasked with setting the tone for our Responsible Investment Policy. The policy applies to each asset class (Canadian equity, global equity, fixed income). Portfolio managers are responsible for implementing the policy and applying it as they see fit within their respective sectors / industries / investments.

What is the PRI?

The PRI is an international network of investors who contribute to the development of a more sustainable global financial system.

The PRI is the world's leading proponent of responsible investment. It works:

- to understand the investment implications of environmental, social and governance (ESG) factors;
- to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions.

The PRI acts in the long-term interests:

- of its signatories;
- of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The PRI is truly independent. It encourages investors to use responsible investment to enhance returns and better manage risks, but does not operate for its own profit; it engages with global policymakers but is not associated with any government; it is supported by, but not part of, the United Nations.

Source: PRI

Our Commitment to Responsible Investment

In becoming a signatory to the PRI in 2017, we made the following commitment:

"As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).

We also recognise that applying these Principles may better align investors with broader objectives of society. Therefore, where consistent with our fiduciary responsibilities, we commit to the following:

- **Principle 1:** We will incorporate ESG issues into investment analysis and decision-making processes.
- **Principle 2:** We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **Principle 3:** We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **Principle 4:** We will promote acceptance and implementation of the Principles within the investment industry.
- **Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **Principle 6:** We will each report on our activities and progress towards implementing the Principles.

The Principles for Responsible Investment were developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices. The process was convened by the United Nations Secretary-General.

In signing the Principles, we as investors publicly commit to adopt and implement them, where consistent with our fiduciary responsibilities. We also commit to evaluate the effectiveness and improve the content of the Principles over time. We believe this will improve our ability to meet commitments to beneficiaries as well as better align our investment activities with the broader interests of society.
We encourage other investors to adopt the Principles."

Source: PRI

Our Approach

As a quality and value investment manager, ESG factors are part of our internal research and portfolio decision-making processes. We believe we can exert greater influence as active equity owners and debt holders than by divesting. At the same time, we respect the specific requirements of our clients and will manage customized portfolios that exclude companies for ESG reasons where requested. We also exclude companies where legally required, such as restrictions prescribed by domestic or international laws.

Over our history we have developed a framework which revolves around three core principles:

I. Identify quality and risk using ESG factors

Our ESG assessment framework strives to standardize the information we expect portfolio companies to provide, allowing us to evaluate risks and opportunities consistently. We assess factors such as:

- Company ESG policies and disclosures
- ESG-related organizations with which they engaged
- Greenhouse gas emissions and reduction targets
- Water consumption, waste management, and energy efficiency
- Employee engagement and health & safety practices
- Workforce diversity
- Board governance

We recognize the importance of ESG factors in the long-term sustainability of our portfolios and incorporate them alongside a broad range of investment criteria. These considerations feed into our proprietary **Investment Grade Rating (IGR)**, which informs both security selection and position sizing. ESG factors can influence position weights when IGR scores are adjusted upward or downward.

II. Use these findings to Engage, Monitor and Report on ESG matters

Engage: Our investment teams actively engage with companies by having open and challenging discussions with management teams and by exercising voting rights. We identify and raise ESG concerns with companies that we follow as these issues emerge. We believe that our bias towards long-term ownership of our investments and our dialogue/engagement with management, and occasionally boards, is core to our responsible investment principles. We also collaborate with industry peers, where possible, to raise ESG concerns collectively and drive positive change across the broader market.

Monitor: We incorporate ESG considerations into our comprehensive and proprietary Investment Grade Rating (IGR) checklist that we prepare when considering a security for purchase and for sizing our portfolio holdings. We continue to monitor the identified issues and engage with the management teams of our portfolio companies concerning ESG factors, policies and procedures related to their business at least annually (or as issues emerge).

Report: We also report all of our ESG engagement and monitoring activities to our clients on a quarterly basis. Our reporting includes the following items:

- A summary of our engagement activities
- Findings and action items based on our monitoring activities
- Proxy voting activities
- Our annual PRI assessment report

III. Constructive engagement is the strongest aspect based on our long-term ownership bias

Because of our long-term ownership bias, constructive engagement is at the heart of our ESG philosophy. We believe that companies which effectively address ESG risks are better positioned to create sustainable value. Compared with exclusion or divestment, active engagement allows us to drive positive change while maintaining alignment with client objectives. We engage through:

- Meetings with management
- Discussions with boards
- Proxy Voting – All research and voting is done internally to maintain a strong alignment of interest with our clients
- Collaboration with clients

Our Responsible Investment Guidelines & Stewardship

As a signatory to the PRI, we have high expectations of the companies we own in our portfolios, and we believe that our discussions and engagement with management teams and boards of directors is the most important element of our ESG analysis and research, including our proxy voting.

The Responsible Investment Policy is applied across each asset class at the firm, and the portfolio managers are responsible for implementing the policy and applying it as they see fit within their respective asset class. While the ESG factors we consider will differ for each sector/industry/company, all research reports contain issues the analyst/portfolio manager deem material for the portfolio company. The analysis and research of these material ESG factors are integrated into our investment processes.

We look at some of the following ESG factors in our analysis, but are not limited to these:

Environmental	Social	Governance
• Environmental regulations • Environmental asset liabilities such as asset decommissioning • Emissions • Use of renewables • Recycling efforts • Water conservation • Energy efficiency	• Worker health and safety • Workforce composition, including diversity and part-time and/or unionized workers • Renumeration and benefits • Training programs • Health and safety policies	• Board structure, including quality of representation, diversity, and independence • Executive compensation

Environmental factors: Environmental factors can have significant a short-term and long-term impact on the sustainability and financial performance of companies we invest in. The impact and materiality of each environmental factor may differ between sectors, industries and companies. Our analysts and portfolio managers may look at whether companies have policies and initiatives to address their relevant Environmental factors such as environmental asset liabilities (e.g., asset decommissioning), emissions, recycling efforts, water conservation, energy efficiency, and land management. We also encourage companies to disclose relevant and transparent metrics when possible and to quantify their aspirational targets to ensure that management teams can be measured and evaluated (i.e., carbon intensity per unit of production). Ideally, companies should closely adhere to the letter and spirit of environmental regulations..

Social factors: Social factors are material to a company's long-term business performance. Effectively managed social factors can create a positive working environment that fosters innovation, attract and retain top talent, provide labour stability, improve operational efficiencies. Poorly managed social factors on the other hand can lead to issues over time, such as legal and regulatory scrutiny, lower productivity, operational disruptions and reputational harm. Companies should, at the minimum, be complying with relevant human rights, labour laws and ethics. Companies should also engage with Indigenous stakeholders when applicable. Companies should have high health and safety standards, including robust training programs. We expect companies

to have a well-diversified workforce that receives fair remuneration and benefits. We believe that companies should treat their employees fairly and ensure that they have a safe operating and work environment. We pay particular attention to safety-related measures and statistics.

Governance factors: Strong governance factors provide the framework for a company's sustained performance and mitigate risks. This ensures that companies are well-managed, led responsibly, and are positioned to create value for our clients over the long-term. We believe that executives must be accountable and that executive compensation should be aligned with fundamental performance. We closely review board structures, ensuring board composition is competent, diversified and independent. We believe in engaging with companies at both the management and board level to ensure that our clients' voices are heard. We believe that our bias towards long-term share ownership allows us to have meaningful input into how companies are managed. We are also very motivated to speak with board members when we believe governance issues are not being addressed at the management level.

As long-term investors of our portfolio companies, we may discuss and engage with the management teams and board of directors on the Environmental, Social and Governance factors above. See Appendix A for more detail on our Stewardship Policy.

Our Governance Structure

FGP's Executive Committee is tasked with setting the tone for our Responsible Investment Policy and the Responsible Investment (RI) Committee is tasked with parlaying this tone into the policy.

The RI Committee is responsible for setting the firm's responsible investment strategy and goals, identifying areas of focus, and spearheading initiatives to enhance the overall strategy. The Committee oversees the firm's Responsible Investment Policy which is reviewed on an annual basis for enhancements, and is responsible for communicating its aspects via other committees or groups within the organization. The policy is applied across each asset class at the firm, and the portfolio managers are responsible for implementing the policy and applying it as they see fit within their respective asset class.

Policy enhancements, as well as PRI assessments are also to be reviewed by the Board and Investment Committee, and the RI Committee will be responsible for those communications.

Internal ESG Audit

We have a dedicated compliance function headed by our Chief Compliance Officer (CCO). The CCO is responsible for performing an audit of our internal processes annually. The audit is used to confirm that our ESG strategy is being adhered to across all asset classes.

The findings of the audit are presented to the RI Committee, which are then communicated to the board, executive and investment committees.

Appendix A - Stewardship Policy

As long-term investors in many of our portfolio companies, we develop strong relations with senior management teams, including in some cases, the board of directors. Below is our stewardship policy and how it is to be implemented, including how and when the policy can be overruled.

- We endeavour to communicate regularly with our portfolio companies' senior decision-makers.
- We actively vote proxies utilizing our inhouse research, and thus avoid conflict of interests when it comes to different data sets, and all our voting decisions take into consideration the specific environmental, social and governance factors captured in our ESG Assessment profile for that company.
- We look for opportunities for candid discussions where we can express the opinions we develop following extensive fact-based research.
- With any ESG issue, we seek first to understand a portfolio company's position to be able to prioritize our engagement activity. This engagement activity is based on the sector, industry, region and impact. We then discuss our viewpoint and possible recommendations for a firm's ESG principles and governance. We attempt to structure these conversations in a constructive, cooperative manner in which we show the benefits of a "win-win" outcome at improving ESG governance for shareholders and other stakeholders.
- In select cases, we extend our engagement to the board of directors where we aim to provide a well thought out perspective on a potential change.
- We may also collaborate with peers to engage with our portfolio companies and drive change.
- We believe policymakers are also an integral part of the ESG ecosystem, therefore when feasible, we will engage with financial regulators on aspects related to ESG integration, stewardship, and disclosure.
- These activities will be led by the RI Committee to ensure alignment with the firm's position on sustainable finance and our commitment to the PRI.
- Any influence our firm may apply, must also align with the firm's position on sustainable finance and our commitment to the PRI, and the RI committee must be aware of such.
- Engagements with our companies will be tracked and reported by the analyst/portfolio manager responsible for the initial interaction, and this activity will be included in our quarterly ESG Report which is disseminated across the investment teams.
- Engagements which result on lack of response or action by the portfolio company typically results in an escalation procedure. Our escalation process is outlined below:
    - Initiate engagement on topic
    - Follow up / request additional meeting on topic
    - Contact Investor Relations
    - Submit formal letter
    - Collaborate with peers
    - Submit corporate resolution

  It should be clear that the timeline for the escalation process varies, and divestment of a portfolio company may be the last resort in a long escalation process.

In some cases, data and access to management may be limited, and this policy won't be able to be followed. It is at the discretion of the portfolio manager and analyst to overrule this policy.

Appendix B - Proxy Voting Policy

Background	FGP has adopted and implemented policies and procedures that it believes are reasonably designed to ensure that proxies received are voted in the best economic interests of its clients. FGP has established guidelines that are used in voting specific proposals presented by the boards of directors or shareholders of companies whose securities are held in client portfolios for which FGP has voting discretion. These guidelines follow the Principles of Corporate Governance published by the Portfolio Management Association of Canada (PMAC). While the Guidelines for voting proxies will generally be applied, each proposal is evaluated on its merits. The vote entered on a client's behalf with respect to a particular proposal may differ from the Guidelines with the approval of the Investment Committee.
Policy	As a matter of policy, FGP: 1) Takes responsibility for voting client proxies only upon a client's written request. 2) Votes all proxies received in the best economic interests of its clients as shareholders, i.e., to maximize economic value. 3) Develops and maintains broad guidelines setting out positions on common proxy issues, but also considers each proposal in the context of the issuer, industry, and country in which it is involved. 4) Evaluates all factors it deems relevant when considering a vote and may determine in certain instances, that it is in the best economic interest of one or more clients to refrain from voting a given proxy ballot. 5) Identifies, monitors for and resolves all material proxy-related conflicts of interest between the firm and its clients in the best economic interests of the client. 6) Believes that sound corporate governance practices can enhance shareholder value and therefore encourages consideration of an issuer's corporate governance as part of the investment process. 7) Believes that proxy voting is a valuable tool that can be used to promote sound corporate governance to the ultimate benefit of the client as shareholder.

8) Provides all clients, upon request, with copies of this Proxy Voting Policy and related reports, with such frequency as required to fulfill obligations under applicable law or as reasonably requested by clients.

9) Reviews regularly the voting record to ensure that proxies are voted in accordance with this Proxy Voting Policy; and ensures that procedures, documentation, and reports relating to the voting of proxies are promptly and properly prepared and disseminated .

10) Clients may obtain a copy of FGP's Proxy Voting Policy and procedures and each Client's Proxy Voting Record upon request by contacting their respective client service representatives.

Procedures

1) Incoming Shareholder information is received from the custodians of the Foyston Pooled Funds or FGP's Clients' custodians or their mailing agent. Some clients receive their proxies directly and vote their own proxies. It must be noted in each client's Retainer Agreement or Investment Policy Statement whether FGP or the client is responsible for voting proxies. Proxy materials must be date stamped when they are received and forwarded to the Firm's Production Control area.

2) Details of proxies should be noted on the Proxy Report including details of company name, date received, and the number of proxies received.

3) The documents received are distributed by the Operations Department to the appropriate FGP Investment Professional for review. The FGP Portfolio Manager reviews the Proxy Circular and determines voting decisions in what it believes are the best economic interests of its clients as shareholders. If required, the FGP Investment Committee will meet and review the issues.

4) If voting against the Guidelines and/or company management on an issue, the rationale must be documented and maintained on file for future reference. An e-mail must be sent to the Client Services contact, the Investment Committee, Compliance, and the Operations Department to inform them that the Portfolio Manager will be voting against the Guidelines and/or company management. Clients, if they have requested , may be informed of this and be provided sufficient time to review this decision and supporting arguments, before FGP completes and returns the Proxies, time permitting. If company management recommends voting against a shareholder proposal, FGP is not required to notify the client.

5) Voting instructions are provided in writing (including electronic communication) by the applicable FGP Portfolio Manager and the required information is returned to the Operations Department prior to the expiry date. The details of the date the Proxies were mailed out are recorded on the Proxy Report. Voting is completed on the Proxy Edge application per desktop operating procedures.

6) If securities are part of a securities lending program, they may not be available to be voted if they are on loan on the applicable record date. For significant matters the Portfolio Manager may elect to call the securities back so that they can be voted. In such cases the Portfolio Manager must notify the Operations Department at least 3 business days prior to the record date to allow time for the securities to be called back before the record date.

7) FGP generally abstains from voting shares for companies that are located in countries that have share blocking (see attached Exhibit M for a list of countries). If the Portfolio Manager determines to vote against Company Management for any company in a share blocking country, the Portfolio Manager must ensure that the shares will be held and not sold until the end of the applicable share blocking period.

8) FGP recognizes that there may be a potential conflict of interest when we vote a proxy solicited by an issuer with whom we have another business or personal relationship that may affect how we vote on the issuer's proxy. We believe that centralized management of proxy voting, oversight by FGP's Operations Department and Executive Committee and adherence to these policies ensures that proxies are voted with only our clients' best economic interests in mind. That said, we have implemented additional procedures to ensure that our votes are not the product of a conflict of interests, including where a material conflict of interest exists, reviewing our proposed vote by applying a series of objective tests and, where necessary, considering the views of a third party research service to ensure that our voting decision is consistent with our clients' best interests. Should FGP identify a material conflict of interest in the proxy voting process, FGP will take steps to ensure it votes the proxy in the best interest of its clients.

9) Once completed, the information received, i.e., Annual Reports and Proxy Circulars are filed in the securities docket for future

10) The Operations Department will maintain files relating to FGP's proxy voting procedures. Records will be maintained and preserved for eight years from the end of the fiscal year during which the last entry was made on a record. Such records are maintained for the benefit of the Firm's clients and are available to clients upon request. Records of the following will be included in the files
    - x) Copies of these Proxy Voting Policies and Procedures, and any amendments thereto;
    - xi) Proxy statements received regarding client securities;
    - xii) Records of votes cast on behalf of its clients.
    - xiii) A copy of any document FGP created that was material to making a decision on how to vote proxies, or that memorializes that decision;
    - xiv) A copy of each written client request for information on how FGP voted such client's proxies, and a copy of any written response to any (written or oral) client request for information on how FGP voted its proxies;

Oversight	Either a manager or the VP Finance and Operations will review the Proxy Report on a weekly basis to ensure proxies are voted by the deadline and that all proxies to be voted are voted. FGP Investment Committee is responsible for the review and approval of the Firm's Proxy Voting Policy and established Guidelines, and for providing advice and guidance on specific proxy votes for individual issuers.
Reference:	NI 81-106, Part 10 (Proxy Voting Disclosure for Portfolio Securities Held) for guidance purposes Principles of Corporate Governance published by the Portfolio Management Association of Canada (PMAC) Advisers Act Rule 206(4)-6

Foyston, Gordon & Payne Inc.
Proxy Voting Guidelines

The following are guidelines only. FGP Portfolio Managers are required to use their discretion to enhance shareholder value. In cases where voting in a manner contrary to these guidelines is appropriate, the FGP Portfolio Manager must consult with members of the FGP Investment Committee, including the FGP President and Chief Compliance Officer.

1. Tender Offers

When acting upon a tender offer, FGP will continue to act in the best interests of the Client, within its obligations as a fiduciary.

2. Class Actions

When class action notices are received on behalf of FGP Clients, it is FGP's policy to determine if participation in the class action is in the Client's best interests, which must be approved by the FGP Executive Committee. If so, FGP's Operations Department, the Client's custodian, or the proxy service provider will prepare any necessary documents required to participate in the class action.

3. Routine Corporate Administration Issues

- Appointment of Auditors.

  FGP will support the appointment of Auditors unless there is concern over the reputation of the firm being recommended.

- Such other business as may properly come before the meeting.

  The voting for or against such other business will be dependent on the issue itself although typically FGP will vote in accordance with Company Management on such issues provided it does not conflict with the Guidelines.

4. Corporate Governance Issues

FGP is a member of the Portfolio Management Association of Canada (PMAC). The Association has published its Principles of Corporate Governance, last updated February 2012, which is supported by FGP.

The Principles of Corporate Governance, issued by PMAC, and its relevant recommendations are the guidelines generally followed by FGP with respect to Corporate Governance issues.



TORONTO
1 Adelaide Street East, Suite 2600
Toronto, ON M5C 2V9
Telephone: 416.362.4725
Toll-Free: 1.844.FOYSTON (369.7866)
Fax: 416.367.1183

www.foyston.com