



July 23, 2025

Proxy Voting Guidelines

Introduction

MD Financial Management Inc. ("MDFM"), in its capacity as manager (Manager) of the MD Family of Funds and MDPIIM Pools (collectively the "Funds"), provides investment management and administrative services to the Funds. The Manager has delegated the right to vote proxies to the Portfolio Manager, Multi-Asset Management Team within 1832 Asset Management L.P. (Portfolio Manager), and the Portfolio Manager may, in certain circumstances, further delegate the right to vote to the Fund's appointed investment sub-adviser as part of such investment sub-adviser's discretionary authority to manage the MD Fund's assets.

Subject to compliance with applicable securities legislation, the Portfolio Manager, has the right to vote, and in instances where the right to vote proxies has been delegated to sub-advisers, will ensure proxies relating to the issuers of each Fund's portfolio securities are voted in accordance with the proxy voting guidelines authorized by MDFM. In all cases, proxies must be voted in a manner consistent with the best interests of the Fund and its security holders.

The proxy voting guidelines described below form an important part of the fiduciary duty to maximize the long term value of each Fund for the benefit of its security holders. The voting of proxies is a pillar of an active investment management approach, and a key part of the engagement process with security issuers.

Routine and Non Routine matters

For routine matters, the issuer's management provides a voting recommendation for each proxy proposal. The Manager has retained the services of an independent firm to provide further analysis and recommendation on the proxies received from the issuers held by the MD Funds, and to provide such analysis and recommendation to the Portfolio Manager or its delegate. The Portfolio Manager or its delegate assess the recommendations of the independent proxy provider and votes such proxies in the best interests of the MD Funds. In order for securities to be held by the Funds, the Portfolio Manager or sub-adviser(s) will generally have a constructive view of management strategy and corporate governance, otherwise, a Fund will not own or maintain a position in the securities of that issuer. Examples of routine business applicable to an issuer are; voting on the size, nomination and election of the board of directors, and the appointment of auditors. However, in some instances the Manager or the Portfolio Manager may still vote against management on routine matters, where the Manager or the Portfolio Manager believes to do so is in the best interest of the Funds' security holders.

Special or non-routine matters set out in proxy documentation are assessed and voted according to an approved set of proxy voting guidelines designed to enhance the value of the investment for the Fund. Without limiting the generality of the foregoing, examples of special or non-routine business are; stock-based compensation plans, executive severance compensation arrangements, ESG related issues, shareholders rights plans, corporate restructuring plans, going private transactions in connection with leveraged buyouts, lock-up arrangements, crown jewel defenses, supermajority approval proposals, and stakeholder or shareholder proposals.

The Portfolio Manager will not vote proxies received for issuers of portfolio securities which are no longer held in a Fund.

Conflict of Interest

The Manager has obtained approval from the Canadian securities regulatory authorities so that the Funds may hold common shares of MDFM's parent company, Scotiabank or other related entities. There is the potential for a conflict of interest between the interests of the Funds and the interests of MDFM or its employees in connection with the exercise of voting rights of the Funds attached to the shares of Scotiabank or other related entities. There is also the potential for a conflict of interest in connection with the exercise of the Funds' voting rights attached to the shares of another issuer, where the outcome of the vote may directly impact the price of the shares of Scotiabank or other related entities.

Where proxy voting could give rise to a conflict of interest or perceived conflict of interest, MDFM has instituted procedures to help ensure that a Fund's proxy is voted:

- In accordance with third party proxy voting guidance, uninfluenced by considerations other than the best interests of the Fund; and
- Free from any influence by Scotiabank or another related entity and without taking into account any consideration relevant to Scotiabank or any of its associates or affiliates.

The procedures for voting issuers' proxies where there may be a conflict of interest include in certain situations escalation of the issue to members of the Independent Review Committee, all of whom are independent of MDFM, for its consideration and recommendation, although the responsibility for deciding how to vote a Fund's proxies and for exercising the vote remains with the Manager.

In addition, pursuant to the requirements of securities legislation, MDFM, on behalf of a Fund, will not vote any of the securities a Fund holds in underlying mutual funds managed by MDFM or any of its affiliates or associates (as such terms are defined in the Securities Act (Ontario)). However, MDFM, in its sole discretion, may arrange for security holders of a Fund to vote their share of those securities of the underlying mutual fund.

Proxy Voting Records

MDFM's policy is that proxies must always be voted in a manner consistent with the best interests of the Fund and its security holders. The Portfolio Manager may find it appropriate to vote against the management of an issuer on any particular proposal, whether routine or non-routine, if the Portfolio Manager feels that this would be in the best interests of the Fund and its security holders.

On occasion, the Portfolio Manager, may abstain from voting a proxy or a specific proxy item when the Portfolio Manager concludes that the potential benefit of voting the proxy of that issuer is outweighed by the cost of voting the proxy.

All documentation and proxy voting records will be submitted to a third party proxy voting agent (the "Proxy Voting Agent") for filing and record-keeping.

Role of Proxy Voting Agent

MDFM has retained the Proxy Voting Agent to provide proxy related services to the Funds. Under continuous oversight by the Portfolio Manager, the Proxy Voting Agent is responsible for monitoring receipt of all proxies for securities for which the Portfolio Manager has voting responsibility on behalf of a Fund. The Portfolio Manager is responsible for ensuring that the Proxy Voting Agent votes the Funds' proxies in accordance with the established guidelines for the Funds or specific instructions related to any of the Funds. If a Fund participates in a securities lending program, the Proxy Voting Agent will work with the custodian, on a best efforts basis, to recall securities before the appropriate date so that the proxies can be voted.

Generally, all proxy voting is done through the Proxy Voting Agent using a third party proxy voting system, on behalf of MDFM. This proxy voting system offers transparency into the life cycle of ballots, meetings and accounts. It also provides an automated solution to proxy voting and reporting. The Manager or Portfolio Manager can audit, review and modify its voting at various stages in the voting process. Such proxy voting information compiled by the proxy voting system will be included in each Fund's annual proxy voting record ("Proxy Voting Record") for the period ending on June 30th of each year.

External research and recommendations that help inform proxy voting decisions are delivered through the proxy voting system to MDFM or the Portfolio Manager. The proxy voting system permits the Portfolio Manager to review voting policy recommendations and control the final vote decisions, while outsourcing the processing and coordination of the proxy voting process. The Proxy Voting Agent receives the Fund's proxy ballots, works with Fund's custodian banks, facilitates submitting votes on the Portfolio Manager's behalf, maintains vote records and provides MDFM with reporting.

Compliance Oversight

The proxy voting guidelines are maintained by the MDFM Compliance Department and are reviewed on an annual basis.

A copy of the proxy voting guidelines and the most recent Proxy Voting Record for each Fund for the most recent period ended June 30 of each year will be available on www.mdm.ca by August 31 of that year. This information will be sent, upon request, to security holders of the Funds at any time after August 31 of that year.

If you have any questions, please contact the Compliance Department, MD Financial Management 1870 Alta Vista Drive, Ottawa, Ontario, K1G 6R7.