

Overview

The Highstreet and Highstreet U.S. Voting Policy outlines the standards by which Highstreet will execute its fiduciary duty with respect to exercising voting rights on behalf of the beneficial owners of securities under management.



For the purposes of this policy, a reference to Highstreet is a reference to both Highstreet Asset Management Inc. and Highstreet Asset Management U.S. Inc.

Highstreet will vote to protect and enhance the long-term value of the portfolio. This serves our clients' best interests. Highstreet's decision to buy, sell or hold a stock is driven by the fundamental characteristics that we measure. While the governance of a company is not an element of this evaluation, we believe that good governance will ensure that a company responds to its environment with the speed, agility and intelligence that will support shareholder value and result in a positive measure of a share's attributes.

Highstreet has contracted Glass Lewis & Co. to provide proxy research and execution services. Glass Lewis brings expert research to the proxy voting process that ensures proxy voting decisions are complete, well informed and in accordance with our guidelines.

Policy

The Highstreet Voting Policy is to:

- Vote all proxies based on our guidelines

- Maintain records of proxy proposals and Highstreet's vote selection, and
- Make voting records available to beneficial owners in a timely manner.

Managing Conflict of Interest

Highstreet and its employees may have relationships with public issuers that could exert undue influence to vote proxies other than as permitted by this policy. Highstreet takes the following steps to mitigate or avoid conflict of interest in the proxy voting process:

1. Unless specifically directed by a client, we do not purchase or otherwise invest in any securities of a related, connected or affiliated entity.
2. Employees are prohibited from sitting on the boards of publicly issued companies.
3. The firm uses a third party proxy voting agent to provide expertise and independence in the execution of this policy.

Guidelines

Highstreet will always vote to ensure that the shareholder's best interests are being served. While we reserve the right to vote all matters on a case-by-case basis, Highstreet has adopted the following guidelines that we will follow when voting.

Highstreet will generally vote with management on routine issues such as the election of directors, reappointment of auditors and the acceptance of the auditor's report.

Where Highstreet has hired a sub-advisor to provide advice to a fund, proxies will be voted according to the sub-advisor's proxy voting policy.

Composition of the Board

Highstreet believes that a majority of directors should be independent (ie: not former employees or major clients of the company). All directors should be elected annually and voting for directors should not be cumulative. Each director should be elected on his or her individual merit and boards should not be voted on as “full slates”. These provisions will ensure that the directors have the ability and the mandate to serve the shareholders of the company.

Highstreet will vote in favour of plans that strengthen the integrity of the board and will vote against any plan that would compromise the autonomy of the board or its ability to discharge its responsibilities to the shareholders.

In support of these values, Glass Lewis imposes reasonable tests to establish guidelines on conflict of interest, separation of Chair and Chief Executive Officer, the declassification of boards, term limits for directors and the independence of Audit and Compensation Committees.

Executive Compensation

Highstreet believes that setting executive compensation is one of the board’s most important roles. Highstreet will evaluate all proxy proposals regarding compensation on the basis of how well they provide incentive and by how well they reflect current market conditions.

Stock options

Highstreet will vote against proposals to create new stock options and against any proposal that would continue or expand an existing stock option plan.

Director Compensation

Highstreet believes that it is in the shareholder's best interest if directors are required to own shares. To this end directors should receive part of their compensation in the form of shares. Shares received as compensation should be held for the duration of the director's term. Highstreet will vote in favour of a resolution supporting this means of director compensation. Board compensation should be in line with peer companies.

Take Over Protection – Shareholder Rights Plans

Shareholder Rights Plans can be used to protect management rather than shareholder interests and thus need to be decided by shareholders. Highstreet will review shareholder rights plans on a case-by-case basis. We will generally not support shareholder rights plans that go beyond ensuring equal treatment of shareholders in connection with a change of control of the company and providing the board of the target company sufficient time to determine whether there is a course of action that will provide shareholders with a better alternative to the offer.

Plans should promote and attract counter offers that are fair to all shareholders. Shareholders must have a voice in the consideration of buyout offers.

Non Routine Matters

Generally, all other matters relating to a company's labour practices, environmental policies and non-discrimination policies are management issues and management is in the best position to determine appropriate practices in the context of its business.

Compliance

Highstreet's Compliance Coordinator sets up all new accounts with Glass Lewis and acts as a liaison with custodians and Glass Lewis to ensure that all proxies are delivered to Glass Lewis and voting records are maintained.

Glass Lewis receives daily holdings reports of all securities that Highstreet votes. When a proxy is issued Glass Lewis will receive an electronic ballot to vote in accordance with the above guidelines.

Highstreet has access to voting records at all times. The Highstreet Compliance Coordinator prepares an annual report for review by the Chief Investment Officer and the Chief Risk Officer on all proxies voted.

Highstreet provides records of proxy voting to all private clients and segregated accounts on request and to all reporting issuers annually. Annual proxy voting records from July to June for the Highstreet pooled funds are posted on the Highstreet website. Clients may request proxy voting records at any time by contacting their Client Service Manager.

Management will regularly review voting of securities practices to ensure compliance with this policy. This policy can be amended at any time.

