

## SRA ENGAGEMENT ACTIVITY Q4 2022

Engagement Type	Q4 2022	2022
Environmental	2	6
Social	1	8
Governance	9	25
<b>TOTAL</b>	<b>13</b>	<b>39</b>

Stock	Date	Issue	Engagement
BNS	10/6/2022	Meeting with Board Chair and Chair of Corp Governance Committee to discuss CEO succession	<ul style="list-style-type: none"> <li>Engagement to understand Board’s reason to choose a CEO with an unconventional background.</li> <li>BNS Board members took us through history of decision making and involvement in such by CEO who was a Board member. As well, discussed rationale for choice.</li> <li>Board felt new CEO should be someone who:                             <ul style="list-style-type: none"> <li>Hadn’t worked for previous CEO</li> <li>Would be a good leader and team builder rather than someone to adjudicate risk</li> <li>All makes sense and feel that market is overly punishing company</li> </ul> </li> <li>Our message to Board: BNS has work to do to stop underperformance and “right the ship”</li> </ul>
CM	10/25/2022	ESG session put on by CIBC, including IR, Chief Legal Officer, Head of Global Corp & Inv Banking, IT SVP	<ul style="list-style-type: none"> <li>CM sees ESG as a competitive advantage</li> <li>Long discussion and Q&amp;A re financing for Corp clients where objective is to reduce carbon intensity with targets for 2030</li> <li>Measures in oil &amp; gas financing are gCO2/MJ (CO2 divided by mega jewel of energy production) with goal to reduce by 35% from 2020 to 2030 for scope 1&amp;2; 27% reduction over same time period for scope 3</li> <li>Measure in power company financing are kgCO2/Mwh (CO2 divided by mega watt hour of energy production) with goal to reduce by 32% from 2020 to 2030 for scope 1</li> <li>Discussed difficulty measuring scope 3 and lack of standard measures – focus on the journey, learning as going, will not be perfect</li> <li>Discussion about optimizing CO2 reduction but also ensuring shareholder returns are accretive – CIBC committed to supporting clients in oil &amp; gas and power with energy transition (both with financings and inv banking advice through new Energy &amp; Infrastructure IB team)</li> </ul>

## SRA ENGAGEMENT ACTIVITY Q4 2022 (CONT'D)

Stock	Date	Issue	Engagement
CLS	10/26/2022	Meeting with CEO & CFO	<ul style="list-style-type: none"> <li>• Discussing results post Q3 release regarding divisional targets for leaders, inventory levels, decision making on business to take on, general economic visibility.</li> <li>• Pleased to hear that Division Presidents have both P&amp;L responsibility but also project ROIC targets (although not disclosed) for projects taken on, especially with a high degree of complexity.</li> <li>• Customer “power” has declined post COVID given delays in the supply chain – has helped provide more balance for CLS and allows better planning for production runs.</li> <li>• Decisions taken in the past to eliminate high volume, low margin business caused pain but has been the right one; CLS sees business as tracking GDP more closely in the future.</li> <li>• Impressed by management team execution, however stock has moved a little ahead of itself.</li> </ul>
EFX	10/27/2022	Meeting with Board Chair along with another PM at an external shareholder	<ul style="list-style-type: none"> <li>• We reiterated worries about size of Exterran deal and wanted to ensure alignment with our objectives – discussed: <ul style="list-style-type: none"> <li>• Need to see company measuring, tracking and aligning ROIC with Management compensation and targets – all projects need to exceed cost of capital.</li> <li>• Need to see Management and Board more committed to ownership in the stock; presently Management and 12 Board members have 0.75% of shares o/s</li> <li>• Need Management and Board to understand what their shareholders see as important; EBITDA might work for some investors, but SRA focused on ROIC &amp; FCF</li> </ul> </li> <li>• Discussed Board make-up and encouraged adding a Board member with Capital Markets rather than industry experience, and preferably a female.</li> </ul>
SNC	11/8/2022	Meeting with CFO & IR	<ul style="list-style-type: none"> <li>• Discussed some of the projects on the go: issues (dispute, negotiation, litigation) very specific to projects and delivery to schedules.</li> <li>• Engineering Services focus has been on profitability, but now looking to grow business and investing in SG&amp;A to build up the capability to deliver.</li> <li>• In Nuclear servicing business, U.S. market waste clean up business is very active, and they are continuously bidding on projects.</li> <li>• Managing business well with an eye on leverage and if assets can be sold to add to capital.</li> </ul>

## SRA ENGAGEMENT ACTIVITY Q4 2022 (CONT'D)

Stock	Date	Issue	Engagement
LAS.A	11/18/22	Meeting with CFO	<ul style="list-style-type: none"> <li>Encouraging to see company has listened and will be commencing quarterly presentations with Q4 2022 results, as well as an Investor Day in Q1 or Q2 2023. Updates: <ul style="list-style-type: none"> <li>U.S. business has had both supply chain (replacing parts in production) and labour shortages. Fatality incident on cranberry juice production line was awful; have focused on ensuring grief counselling in place and closely watching morale.</li> <li>Cdn business volumes have been good but negatively impacted by concentrate pricing (based in US\$). Within business have a Revenue Management focus where trying to determine by customer objective: service level partner vs volume at lowest price</li> </ul> </li> <li>Project Eagle progress (U.S. business project looking at automation): \$55 - \$100m capex and determining how to, and what to implement given longer lead times to automation.</li> <li>Good to see progress being made on disclosures and business improvements.</li> </ul>
LNR	11/22/2022	Meeting with IR as they were asking for feedback from investors on a number of issues	<ul style="list-style-type: none"> <li>Discussed that we are happy with business performance and management track record in the business, however reiterated: <ul style="list-style-type: none"> <li>Revisit management compensation plan to be more aligned with ROIC and less based on absolute dollar profit. We would recommend replacing profit bonus with long-term incentives tied to a rolling 3-5 year ROIC, in the form of Performance Share Units.</li> <li>Revisit board structure and increasing number of independent directors</li> </ul> </li> </ul>
ALA	11/23/2022	Meeting with Board Chair	<ul style="list-style-type: none"> <li>Discussed press release regarding CEO's retirement in early 2023 – surprise to us.</li> <li>CEO joined in December 2018 and temporarily relocated to Alberta with commuting on weekends; successful in executing on several key priorities; however, challenges on butane hedging in 2022 (which moved against ALA) drove Board to conclude that they need someone to be CEO who is present full time in Calgary.</li> <li>Said we understand decisions and that the company has good bench strength with a sound Board.</li> <li>However, with weakness in stock post poor Q3, would like to see Management and the Board in the market buying stock.</li> </ul>

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Stock	Date	Issue	Engagement
CIX	12/6/2022	Meeting with Board member (on Governance, HR & Comp Cttee), Head of HR and IR	<ul style="list-style-type: none"> <li>• Conversation on compensation for Executives and Senior Management in order to better align Management with shareholders.</li> <li>• CIX working with Korn Ferry to design a scorecard of multiple measures for Management, with a focus on additional measure but simplifying the approach to disclosure.</li> <li>• CIX is not happy with ISS who recommended voting against CIX compensation policy; CIX feels that ISS is comparing them to the wrong peer group – should be more Canadian. Regardless, having dialogue with ISS and CIX addressing the issues to get to a resolution.</li> <li>• Had follow-up conversation about the business: How it is being re-configured for growth in the U.S. market; Strategy as outlined by CEO; ESG agenda; Alignment of Board with shareholders</li> <li>• Overall happy with company and actions taken; share price continues to be weak.</li> </ul>
MX	12/11/2022	SRA (in a meeting with CC&LFG and other Affiliates re Climate Engagement Cda) met with Methanex incoming CEO, Board Chair, Corporate Sustainability, IR	<ul style="list-style-type: none"> <li>• Get an update on their GHG targets, climate reporting, climate governance.</li> <li>• Re GHG targets: looking at E methanol from renewable sources in New Zealand (focus on renewable nat gas); typical facility produces 0.6 GHG Emission intensity (tonnes of CO2 per tonne of methanol) while Geismer 3 will be at the 0.4 GHG level and R&amp;D working to design greenfield sites with a target of 0.2 GHG level. Looking at carbon capture in USA and Canada, which is scalable for a cost, with aim to reduce GHG by 90%. As well, have been leading efforts for many years in the shipping industry with “dual fuel” (combination of standard shipping fuel with methanol) – much lower CO2 emissions and shipping companies Maersk, Disney using this approach with others looking to adopt (industry leader in this area).</li> <li>• Re climate reporting: putting together an action plan to start measuring scope 3 emissions with a focus on renewable nat gas offtakes; and signed small contract for (the first) renewable nat gas.</li> <li>• Re climate governance: not looking for Board members with ESG and climate core competencies, but rather finding members with strong industry &amp; business knowledge keen to improve their ESG education level – have undertaken board education on E methanol, renewable power, R&amp;D to move green field sites to 0.2 GHG level, carbon capture functionality and regulatory hurdles.</li> <li>• ESG imbedded in Executive Team compensation: has been in place under term “Responsible Care” for decades; now 70% of goals are financial with 30% goals relating to emission targets achieved and progress on this.</li> </ul>

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CLS	12/13/2022	Meeting with Board Director, Heads of HR	<ul style="list-style-type: none"> <li>• Discussing pay level of President – found it to be excessive relative to market cap of CLS and performance history; Board feels that CLS is a global company and should compensate as such.</li> <li>• Discussed what appropriate level of ROIC should be and how it should be included in long term compensation; no clear answer on what this level should be at Division level.</li> <li>• Requested greater disclosure on price &amp; volume in each segment to understand drivers; Management &amp; Board feel that’s competitive information too sensitive to release.</li> <li>• Board Director expressed frustration with multiple on stock – we shared issues re past (have owned stock off and on for 10 years) and opaque disclosure. Recommended having an Investor Day to illustrate how the company has moved on from RIM and CISCO business – they appreciated feedback.</li> </ul>