

RESPONSIBLE INVESTING POLICY

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I. Introduction

Scheer, Rowlett & Associates Investment Management Ltd.'s ("SRA") value investment philosophy is founded on the belief that securities may be mispriced in the short-term because of the behavior of market participants. SRA believes that over the long-term the price of the securities of a company will reflect the company's earnings ability. Based on this philosophy, SRA seeks to invest in undervalued companies which are competitive within their respective industry, have products and services that address customer needs and, as such, can be expected to receive a reasonable risk adjusted return on their capital. SRA strives to deliver superior, risk-adjusted returns over a business cycle. The team's unwavering commitment to this investment philosophy forms the basis upon which SRA employs its bottom-up, value-oriented investment process.

II. ESG Approach

As part of our bottom-up investment process, we believe that environmental, social and corporate governance (ESG) issues should be considered in determining a fair valuation as they can have a fundamental impact on the success and costs incurred by the company in which we are investing. We believe that, all else being equal, appropriate attention to ESG issues makes good business sense and that companies with sound practices and proper consideration of stakeholders are more likely to outperform those without.

Our approach to responsible investment includes integration of ESG factors into the investment process, direct engagement with issuers and proxy voting. As part of SRA's commitment to responsible investing, we are signatories to the UN-backed Principles for Responsible Investment (PRI), and where consistent with our fiduciary responsibilities, we commit to the following six principles:

- Incorporating ESG issues into our investment analysis and decision-making.
- Being active owners and incorporating ESG issues into our ownership policies and practices.
- Seeking appropriate disclosure on ESG issues by the entities in which we invest.
- Promoting acceptance and implementation of the Principles within the investment industry
- Working together to enhance our effectiveness in implementing the Principles.
- Reporting on our activities and progress towards implementing the Principles.

III. Integration

SRA most frequently uses discounted cash flow analysis to derive an estimate of company's fair value. In determining the appropriate discount rate, SRA considers ESG factors in addition to more traditional risk factors. Upon reviewing the relevant ESG issues, SRA considers whether they could have an impact on shareholder value and then incorporates this assessment into a company's valuation by adjusting the discount rate.

IV. Engagement

SRA engages with the companies in which we invest primarily by meeting with management. Meetings with management help SRA understand their businesses, appreciate their long-term strategy and assess qualitative issues such as management's commitment to good ESG practices. Where applicable, SRA will encourage management, through both direct conversations and our proxy voting, to appropriately address ESG issues and make changes to their policies that are in the best interest of shareholders.

V. Voting

As a registered investment advisor, SRA has a fiduciary duty to act in the best interests of our clients. As part of this duty, we recognize that we must vote client securities in a timely manner and make voting decisions that are in the best interests of our clients, and in addition, view that voting for a company's or shareholder's proposal is an important part of our engagement. For further information regarding proxy voting, see our separate SRA Voting Rights Policy in SRA's Corporate Governance Manual.

SRA utilizes the proxy research and voting services of Institutional Shareholder Services (ISS) to help assess and vote proxies. ISS is the world's leading provider of corporate governance and responsible investment solutions for asset owners, asset managers, hedge funds, and asset service providers. ISS prepares recommendations for all proposals on which SRA are entitled to vote. These recommendations are subsequently reviewed by SRA alongside any applicable additional information prior to final votes being cast.

VI. Disclosure

As a signatory to the UN-backed PRI, SRA is required to report annually on our ESG-related activities in accordance with the PRI reporting framework.

(Amended December 20, 2019)