

# Proxy Voting Policy and Guidelines

## Proxy Voting Policy

### Introduction

Van Berkom Global Asset Management ("Van Berkom") is a specialized portfolio manager based in Montreal, focused on small and mid-cap equity investing. On behalf of leading pension funds, corporations, and foundations across Canada, the United States, and Europe, Van Berkom invests globally in high quality small and mid-capitalization companies. As a fundamentally long-term investor, Van Berkom targets an average annual return of 15% over rolling five-year periods, aiming to deliver meaningful outperformance relative to benchmark.

This Proxy Voting Policy (the "Policy") applies to all Van Berkom investment strategies and serves as a transparent framework for communicating our voting principles and approach.

The Policy is reviewed at least annually, to ensure alignment with current processes and procedures and to ensure currency with emerging topics and evolving best practices. Oversight of the Policy rests with Van Berkom's ESG Committee, which includes the President, Chief Operating Officer, Head of Global Business Development, and Responsible Investment Analyst. The Policy is a complement to and may be viewed in conjunction with Van Berkom's Responsible Investment Policy, which outlines our approach to integrating financially material ESG factors into investment decisions and stewardship activities.

### Responsible Investment Beliefs

Van Berkom believes that strong corporate governance is foundational to long-term value creation. Companies with effective governance—characterized by well-functioning boards, robust oversight mechanisms, transparent stakeholder engagement, and clear accountability—are better positioned to deliver sustainable performance. In evaluating investments, Van Berkom considers both the strategic execution of management and the quality of governance practices to ensure alignment with long-term stakeholder interests.

We also view the integration of financially material environmental, social, and governance (ESG) factors in the investment process as part of our fiduciary duty. These considerations help identify risks and opportunities that may not be captured through traditional financial analysis. Van Berkom's ESG committee, in collaboration with the investment team, has identified three systemic sustainability risks — climate change, governance, and cybersecurity — that have the potential to destabilize capital markets and have a sector agnostic and detrimental impact on the global economy. Hence, these issues are central to Van Berkom's ESG risk mitigation strategy and inform our proxy voting decisions. For more detail, please refer to Van Berkom's Responsible Investment Policy.

## Proxy Voting Approach

Van Berkom's proxy voting approach is guided by our commitment to act in the best interests of our clients and to support long-term value creation. Exercising voting rights is an essential part of Van Berkom's fiduciary and stewardship responsibilities. Van Berkom manages various strategies for its clients and receives and votes proxies for each of the companies included in all strategies. Where clients delegate proxy voting authority, Van Berkom ensures that votes are cast in alignment with their long-term objectives, incorporating material ESG considerations where relevant.

Van Berkom believes in a bottom-up approach to proxy voting decision making. We recognize that each company and vote presents unique circumstances, and therefore these nuances preclude the application of stringent rules-based voting guidelines. As such, whilst Van Berkom will attempt to apply this policy consistently, our decisions are informed by company-specific context and the potential impact on long-term value. The guidelines in the latter section of this Policy represent general principles of what Van Berkom considers good practice. For each vote, Proxy statements are reviewed by the investment team, supported by independent proxy advisory research, but final voting decisions rest with the team member responsible for the investment. Van Berkom does not outsource its stewardship responsibilities and aims to vote 100% of resolutions where authority has been delegated.

To ensure accountability and adherence to this Policy, the Responsible Investment Analyst conducts a semi-annual certification process. Any material deviations that may affect the interests of Van Berkom or its clients are reported to the Chief Compliance Officer.

Van Berkom also views the consideration of shareholder proposals as part of its stewardship obligations and conduct the appropriate due diligence ahead of casting a vote. This includes assessing the proposal's capacity to generate long-term value for Van Berkom's clients, factoring in any associated operational risks or opportunities.

## Engagement and Votes Against Management / Board Members

Van Berkom exercises its proxy voting rights with the objective of supporting long-term value creation and responsible corporate leadership. While we generally invest in well-managed companies with strong governance practices, we do not hesitate to abstain or vote against management proposals that conflict with the principles outlined in this Policy. Likewise, we support shareholder proposals that align with our long-term investment philosophy and stewardship responsibilities. In practice, Van Berkom rarely votes against management due to several factors:

- a) Van Berkom invests in outstanding, well-managed companies that typically exhibit sound governance and are less prone to contentious votes.
- b) Van Berkom maintains a constructive and positive relationship with the companies that it invests in and clearly sets out its expectations as a diligent steward of its assets.
- c) When concerns arise, Van Berkom may engage directly with management to discuss the issues prior to casting a vote.

Van Berkom's approach to proxy voting feeds directly from its active corporate engagement strategy, particularly with companies that lack transparency on material ESG issues, demonstrate weak governance practices, or fail

to address environmental risks. Voting against management is one of several tools Van Berkom uses to advocate for improved practices that support long-term shareholder value. When a portfolio company's practices diverge from Van Berkom's investment expectations, the investment team initiates dialogue with management. If concerns remain unresolved, the issue is escalated to the board of directors and reflected in voting decisions. If engagement efforts do not lead to meaningful change, Van Berkom may issue a formal letter to the board and, as a last resort, divest from the holding.

## Conflicts of Interest

If a proxy vote suggests a potential or perceived conflict of interest, Van Berkom will take appropriate steps to ensure objectivity and alignment with client priorities. All proxy voting decisions are made internally, and Van Berkom maintains comprehensive records of all votes and supporting documentation for transparency and accountability.

## Transparency & Reporting

Van Berkom is committed to transparency in its proxy voting strategy and delivery. Van Berkom makes this Policy publicly available and provides clients with proxy voting reports for the applicable strategies upon request.

## Proxy Voting Guidelines

These Guidelines outline Van Berkom's general preferences regarding company practices on common proxy voting items. As previously noted, Van Berkom applies a bottom-up approach to proxy voting, meaning each vote is assessed on its own merits. Final voting decisions rest with the voting analyst who considers these guidelines alongside company-specific context and long-term value implications. The guidelines are organized into the following key areas:

1. Board Structure
2. Executive Compensation
3. Shareholder Rights
4. Mergers & Acquisitions
5. Reporting, Audit, and Approval of Accounts
6. Capital Structuring
7. Environmental and Social Factors
8. Countries & Region Specifics

Analysts are encouraged to consult the Responsible Investment Analyst when questions arise to ensure consistency with Van Berkom's stewardship principles. Van Berkom will carefully consider new issues as they arise and will vote on such issues according to the general principles outlined above, and in the best interest of its beneficiaries.

## 1. Board Structure

The composition of boards and committees, background of the individual directors, diversity, independence, and terms of office are central governance concerns to Van Berkom. We prefer the following board characteristics of companies under our stewardship:

- A majority of independent directors who represent the interests of both majority and minority shareholders.
- The board of Directors or supervisory board is well balanced in terms of its diversity of thoughts, background, skills sets and expertise.
- Specialized committees (e.g., audit, compensation, nominating and governance) composed of a majority of independent directors, with independent chairs.
- The Executive Director is excluded from audit and remuneration committees to preserve objectivity.
- The board is not abnormally large or small relative to the industry.
- Board meetings and committee meetings (if applicable) are regularly attended by directors.
- The board is accessible and there is an open dialogue between the board and investors.
- One of the board members has relevant environmental expertise, or the board is trained on identifying and overseeing the management of environment-related risks and opportunities.
- Shareholders can vote separately on the election of individual directors. A majority-independent nomination committee proposes candidates annually, rather than on staggered terms.
- The board is aligned with corporate governance guidelines issued by organizations such as the Toronto Stock Exchange, the Pension Investment Association of Canada (“PIAC”), the Canadian Coalition for Good Governance (“CCGG”), the Institute for Good Corporate Governance for Private and Public Organizations (“IGOPP”) and other relevant bodies in the company’s jurisdiction.

## 2. Executive Compensation

Van Berkom believes that executive remuneration should be structured to support long-term value creation and align management interests with those of shareholders.

Van Berkom prefers and supports the following remuneration practices of companies under its stewardship:

- Remuneration is determined by a compensation committee or sub-committee composed of a majority of independent directors.
- Executive compensation (including stock option plans) is reviewed in relation to long-term performance and shareholder value creation.
- The company presents a transparent, exhaustive, and clear overview of its compensation practices.

- The company has a long-term remuneration policy in place tied to the long-term stock performance, executive stock ownership, and clawback guidelines for executives.
- The exercise price or the vesting schedule of the equity incentive is linked to the achievement of challenging, company-specific performance and profit thresholds.
- The company uses key ESG considerations in the composition of either annual cash bonuses or as part of management's long-term compensation plans.
- Equity incentive plan amendments if the total potential dilution is low and the "burn rate" is not excessive on an annual basis.

Van Berkom generally does not support:

- Plans that allow the board of directors to lower the exercise price of equity incentives already granted.
- Plans with "evergreen" provisions or equity incentives with excessive duration or misalignment with shareholder interests.
- Incentives that are fully vested upon grant.
- Golden parachutes deemed to be excessive or that are single trigger arrangements.

### 3. Shareholder Rights

Van Berkom supports shareholder rights and believes that voting rights should be proportional to shareholder economic ownership. Van Berkom has a fiduciary duty to preserve the full integrity and value of the ownership characteristics of the common stock.

Van Berkom favours the following practices that protect and promote shareholder rights:

- The "one share, one vote" share class structure, although in select cases, different share class structures may be acceptable where they create meaningful shareholder value and are supported by a management team with a proven track record of exceptional business performance and strong governance.
- Van Berkom supports "say on pay" proposals as an important mechanism for shareholder input on executive compensation and values the opportunity to express its views and vote for or against management's compensation structures and incentives plans laid out in proxy statements.
- Mechanisms that facilitate shareholder participation, rather than restrict it.
- Shareholders' ability to call special meetings and submit shareholder proposals for consideration.

Van Berkom opposes practices that undermine shareholder interests, including:

- Super-majority voting requirements, linked proposals, quorum requirements, or "greenmail" payments that prevent shareholders from evaluating takeover offers.
- Votes giving boards of directors discretion to issue additional shares at any time or authorize unlimited share issuance without consideration of dilution impacts on existing shareholders at the time of issue.

## 4. Mergers & Acquisitions

While strategic transactions can unlock growth and operational efficiency, certain takeover protection mechanisms may undermine shareholder rights and hinder value creation. To maximize shareholder value, takeover protections must not unduly deter unsolicited bids or follow-on offers. Van Berkomp will carefully review measures employed to ensure that shareholder rights have not been undermined and shareholder value is maximized.

- Van Berkomp will evaluate all mergers, acquisitions, and corporate restructurings based on their capacity to maximise shareholder value.
- Takeover protections include, but are not limited to poison pills, crown jewels defenses, private transactions, leveraged buyouts and/or lock-up arrangements. The implementation of takeover protection measures will be reviewed on a case-by-case basis. Van Berkomp will generally vote against such proposals unless there is evidence that shareholder interests are protected.
- Van Berkomp will generally not support shareholder rights plans that extend beyond ensuring equitable treatment of shareholders in the event of a bid or that limit the board's ability to consider alternative offers.
- When applicable, Van Berkomp prefers a "soft lock-up" arrangement that allows shareholders to exit agreements should a more attractive bid emerge.

## 5. Reporting, Audit, and Approval of Accounts

Reports and financial statements are vital to allow scrutiny of company performance. Ensuring financial and operational reporting are delivered in a timely manner, without material misstatements, with fair presentation and conflict-free disclosure is a fundamental shareholder right that Van Berkomp will protect through voting its proxies. Van Berkomp expects that:

- Information provided by the board presents a full and fair representation of company affairs and financial situation, with reports made available at least 21 days before the Annual General Meeting (AGM).
- Company accounts and the designated auditor have been recommended by a majority-independent and financially literate audit committee.
- Auditors should be free from conflicts of interest and act with integrity, objectivity, and professionalism.
- Auditors' remuneration for any additional advisory services should not compromise audit independence.
- Full transparency regarding auditor relationships and all fees paid.

## 6. Capital Structure

Companies should have an efficient capital structure that fosters growth, minimises the cost of capital and supports increases in shareholder value. Any changes to capital structure, including share buybacks, share issuance, or share issuance under private placements should be implemented with these or other sound business objectives in mind. Van Berkomp takes the following view of votes on capital structure:

- Van Berkom is supportive of the board of directors issuing shares that are necessary to meet the company's financial needs, provided they are proportionate, justified, for sound business reasons, and do not violate the "one share, one vote" principle.
- Transactions, such as private placements, are reviewed on a case-by-case basis, relative to market price, use of proceeds, and insider participation, among other factors.
- Share buybacks or repurchases could represent an effective use of company resources, especially when the market value is seemingly below its intrinsic value. As a result, Van Berkom favours such transactions but remains diligent in its evaluation to ensure they deliver long-term value to shareholders.

## 7. Environmental and Social Factors

Van Berkom recognizes that companies' environmental and social performance may have a material influence on investment risks and returns. Van Berkom believes that companies that effectively identify, integrate, and perform well on environmental and social factors as part of their corporate strategy, including those related to climate change, inclusive leadership, and cybersecurity, are more resilient and better positioned to create long term value for both stakeholders and shareholders. Van Berkom is supportive of companies that display the following characteristics:

### 7.1 Environmental Factors

Regular and timely disclosures of material environmental impacts and mitigation strategies, and the impact of the environment and/or stakeholders on its operations. Van Berkom strongly encourages and values disclosures aligned with globally recognized reporting frameworks such as the IFRS S1 and IFRS S2, established by ISSB<sup>1</sup>, or the Global Reporting Initiative (GRI)<sup>2</sup>. These disclosures should flow from robust governance structures that include accountability and oversight for identifying and managing environmental issues and risks, as well as detailed strategies to address the company's material environmental impacts that have been externally verified where feasible.

### 7.2 Climate Change

Climate change (including transition and physical risks) presents systemic risks impacting most sectors and industries. Van Berkom encourages boards to provide oversight and integrate climate-related risks and opportunities into company strategy and operations. Companies should be transparent regarding their climate change strategy and ultimately provide material disclosures in a timely manner to shareholders of both physical and transition risks aligned with previously mentioned frameworks. Van Berkom also encourages companies to describe management's role in assessing and managing risks and opportunities. For companies where carbon emissions are a material issue, Van Berkom will support the adoption of credible, science-based emissions reduction targets, that can be independently verified and validated by organisations like the Science Based Targets initiative (SBTi)<sup>3</sup>.

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<sup>1</sup> [International Sustainability Standards Board](#)

<sup>2</sup> [Global Reporting Initiative](#)

<sup>3</sup> [Science Based Targets initiative](#)

### 7.3 Social Factors

Van Berkom supports and encourages companies that uphold responsible and ethical business practices and respect labour standards and human rights across their operations and supply chains. We expect alignment with international standards such as the OECD Guidelines for Multinational Enterprises<sup>4</sup> and the UN Global Compact<sup>5</sup>. Van Berkom strongly condemns all forms of child labour and modern slavery, both within corporate operations and across supply chains. Companies should work to maintain their “social license to operate” by being mindful and responsive to communities who may be affected by their activities. This may include, where appropriate, seeking free, prior, and informed consent from Indigenous peoples.

### 7.4 Inclusive Leadership and Talent Optimisation

Van Berkom supports the value of diverse perspectives at the board and senior management levels. Van Berkom views diversity expansively – encompassing a range of professional backgrounds, life experiences, skills, and viewpoints. Boards that embrace a variety of perspectives are better equipped to navigate complex challenges, foster innovation, and make well-informed decisions. We believe that companies benefit from leadership teams that are not only diverse in terms of demographics, but also in terms of cognitive diversity, industry experience, and problem-solving approaches. Van Berkom encourages companies to take thoughtful and proactive steps to optimise talent and build leadership teams that reflect this broad spectrum of diversity.

### 7.5 Cybersecurity

Van Berkom is supportive of companies that describe the extent to which they provide oversight of cybersecurity risks and maintain robust control mechanisms. This should include a clear understanding of vulnerabilities, levels of investment in technology, personnel and processes, and implementation of crisis management protocols. Boards should be able to demonstrate the existence of appropriate skills and expertise amongst directors that will enable effective oversight of cybersecurity risks. Van Berkom expects boards to assess the business impacts of regulations or voluntary improvements to data protection to ensure operational readiness, update compliance frameworks, crisis management protocols, and provide appropriate levels of disclosure.

## 8. Countries & Region Specifics

Van Berkom manages global investment strategies which, by nature, requires investing in companies located in foreign countries or regions, each with its own set of rules and regulations, as well as its own cultural norms, manners, and corporate governance best practices. While this Policy outlines our core principles, we recognize the importance of context when evaluating proxy voting matters. Van Berkom considers regional and country-specific factors when applying this Policy, ensuring that our voting decisions are both principled and appropriately tailored to local standards and practices. Whenever possible, we aim to use the respective market’s corporate governance codes as a guiding framework.

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<sup>4</sup> [Organisation for Economic Co-operation and Development \(OECD\) Guidelines for Multinational Enterprises](#)

<sup>5</sup> [United Nations Global Compact](#)