

Proxy Voting Policies and Procedures

Please note: Terms used herein with initial capital letters have the meanings attributed to them in the Annual Information Form

The Manager has policies and procedures in place to ensure that proxies relating to securities held by a Fund are voted in a timely manner and in the best interests of each Fund. For each Fund, the Manager has delegated the responsibility with respect to proxy voting to the Fund's sub-advisor or sub-advisors. The Manager reviews the proxy voting policies and procedures of each sub-advisor on a regular basis to ensure that voting rights are exercised in accordance with the best interests of the Fund. The Manager reserves the right to revoke proxy voting privileges of a sub-advisor in respect of any Fund.

Summaries of the proxy voting policies and procedures of each sub-advisor are set out below. Copies of the complete proxy voting policies and procedures for the Funds are available free of charge to any investor upon request by calling 1-888-552-5004, by sending an email to info-canada@vanguard.com or by writing to Vanguard Investments Canada Inc., 22 Adelaide Street West, Suite 2500, Toronto, Ontario M5H 4E3.

The complete proxy voting record of a Fund for the annual period from July 1 to June 30 is available free of charge to any investor upon request at any time after August 31 following the end of that annual period by calling 1-888-552-5004 or on the Manager's website at www.vanguard.ca.

BAILLIE GIFFORD

Baillie Gifford has adopted the Governance and Sustainability Principles and Guidelines (the "**Guidelines**") to vote proxies related to securities held by the Funds sub-advised by it and its other clients.

The Guidelines are developed and administered by the Governance & Sustainability Team of the Baillie Gifford Group. This Governance & Sustainability Team sits alongside the investment teams and is responsible for the voting of proxies. The head of this Governance & Sustainability Team jointly reports to an investment partner of Baillie Gifford & Co., the parent of Baillie Gifford, and to the senior investment committee of the Investment Management Group of the Baillie Gifford Group.

The Guidelines cover Baillie Gifford's approach to governance and sustainability matters including the following areas:

- Board Effectiveness and Composition
- Capital Allocation
- Governance Processes and Disclosure
- Remuneration
- Sustainability

Baillie Gifford recognizes that given the range of markets in which the Funds and its other clients invest, one set of standards is unlikely to be appropriate. The Guidelines consequently take an issues based approach covering standards from a global perspective.

Pragmatic & Flexible Approach

Baillie Gifford recognizes that companies within particular markets operate under significantly differing conditions. The Guidelines are intended to provide an insight into how Baillie Gifford approaches voting and engagement on behalf of clients with it. With respect to voting, Baillie Gifford will evaluate proposals on a case-by-case basis, based on what it believes to be in the best long-term interests of the clients, rather than rigidly applying a policy.

In evaluating each proxy, the Governance & Sustainability Team follows the Guidelines, while also considering third party analysis, Baillie Gifford's and its affiliates own research and discussions with company management.

The Governance & Sustainability team oversees voting analysis and execution in conjunction with the investment managers. Baillie Gifford may elect not to vote on certain proxies. While Baillie Gifford endeavours to vote a Fund's shares in all markets, on occasion this may not be possible due to a practice known as share blocking, whereby voting shares would result in Baillie Gifford being prevented from trading for a certain period of time. When voting in these markets, Baillie Gifford assesses the benefits of voting clients' shares against the relevant restrictions. Baillie Gifford may also not vote where it has sold out of a stock following the record date.

Conflicts of Interest

Baillie Gifford recognizes the importance of managing potential conflicts of interest that may exist when voting a proxy solicited by a company with whom the Baillie Gifford Group has a material business or personal relationship. The Governance & Sustainability Team of the Baillie Gifford Group is responsible for monitoring possible material conflicts of interest with respect to proxy voting. For proxy votes that involve a potential conflict of interest that is not managed in line with the Conflicts of Interest policy, the Governance & Sustainability team report the conflict to the Investment Management Group ("IMG") for discussion. The Governance & Sustainability team reports into the **IMG**, which is comprised of several senior Baillie Gifford partners. These individuals review the voting rationale, consider whether business relationships between Baillie Gifford and the company have influenced the proposed vote and decide the course of action to be taken in the best interest of clients.

MARATHON

General

Marathon considers that the ability to influence management is an integral part of the investment management function. Marathon strongly adheres to the policy that good corporate governance is totally consistent with enhancing shareholder value. It is Marathon's policy to exercise voting rights wherever it is practical to do so and if permitted by the applicable agreement with its client.

A Proxy Voting Dashboard is available on the Marathon website showing Marathon's vote history with a 180-day lag. Marathon has also been a member of the United Nations Principles for Responsible Investment since January 2019. Separately, the firm is a signatory to the UK Stewardship Code by the UK's Financial Reporting Council. Marathon is also a signatory to the Japanese Stewardship Code.

Proxy Advisors

In order to facilitate the proxy voting process, Marathon has retained Institutional Shareholder Services, Inc. ("ISS") as an expert in the proxy voting and corporate governance area. ISS is an independent proxy advisor firm who specializes in providing a variety of fiduciary-level proxy advisory and voting services.

ISS also assists the firm by developing and updating their own set of guidelines which are incorporated into Marathon's guidelines by reference. ISS provides research and analysis on stock within all of Marathon's portfolios, votes the ballots through their online portal and gives recommendations based on each agenda item compiled by their analysts in each region.

Marathon does not automatically accept the pre-populated responses provided by **ISS**, nor automatically submits the clients' votes. Instead all proxy events and supporting documentation (including internal research) are reviewed by the relevant portfolio manager(s) or analyst(s) for their consideration. Each portfolio manager or analyst has the option to accept the ISS recommendation, or to vote against the rationale provided by ISS. In these cases, a written explanation on the reasons to vote against the recommendation will be retained. This will include any new information filed by an issuer that may impact their decision. Typically, Marathon aims to submit a response at the date of the earliest custodian date (not ISS date, which can be later). If it becomes apparent that new information is about to be filed by an issuer that could have a significant bearing on the proxy voting decision, the team responsible for submitting Marathon's response would be asked to reach out to the relevant custodian to discuss delaying submission.

Written confirmation of the portfolio managers' decision with regards to a proxy voting matter is received in writing by the relevant team, prior to submission via the ISS platform. If matters have materially altered as a result of information released by the issuer after Marathon has already filed, the relevant team would look to re-submit, talking to custodians as needed.

Where possible, all agenda items will be voted on a case by case basis with no pre-defined policy on how to vote certain events with portfolio managers following any pre-defined client instructions accordingly. Marathon may engage with clients where voting authority has been retained by the client in order to discuss Marathon's view on a matter. Separately, on any contentious issue Marathon may also look to contact clients to ensure their respective custodian recalls and restricts any stock on loan to enable all shares to be voted. Marathon's overriding objective when investing or voting proxies is to achieve economic benefit for its clients within clients' agreed risk parameters. Portfolio managers will expressly prioritize these economic aims over unrelated objectives that would lead them either to sacrifice investment return or take on additional investment risk to promote non-pecuniary goals.

The decision by Marathon to retain ISS is reviewed each year with input from portfolio managers, compliance and the proxy voting team. This review precedes the annual service review.

Proxy Voting Process

In addition to providing advice on specific policy voting issues, ISS also coordinates the actual exercise of the proxy vote. This entails receiving voting instructions from Marathon and transmitting them to each clients' custodian for processing.

Marathon's proxy team has access to the ISS web platform where ballots are collated from each custodian and linked to the appropriate meeting. These meetings are monitored and recorded in a central spreadsheet. Once the research has been updated, it is sent to the portfolio manager to solicit their response by the stated deadline. From time to time, proxy votes will be solicited which involves special circumstances and require additional research and discussion. Any additional discussion may be conducted as soon as practical and with best endeavours before the ballot deadlines.

ISS provides a full reporting facility to Marathon detailing voting recommendations and actual votes transmitted to custodians. This reporting is available to clients on request. Marathon's voting history is also published on its website 180 days after the meeting.

There may, from time to time, be instances when votes cast by Marathon on a client's behalf are rejected. This could be for various reasons outside of Marathon's control, including missing documentation that needs to be provided by the beneficial owner. For example, there are some countries that require power of attorney documentation that authorizes a local agent to facilitate the voting instruction on behalf of the client in the local market. If the appropriate documentation is not available for use, a vote instruction may be rejected. On a best efforts basis, Marathon requests custodians to provide a list of missing powers of attorney for each client on an annual basis to avoid these issues.

Quarterly checks are also completed across different markets and mandates to ensure ballots are being received from the custodian. Quarterly checks on voting will also be conducted by Marathon's Risk Group to ensure accuracy and to flag any concerns or breaches to this policy.

Special Circumstances

Marathon considers their ability to engage with management of companies in which it invests carefully but also considers the right to be able to call a special meeting an important stewardship tool. As such, Marathon may from time to time, either independently or in collaboration with other shareholders call for special meetings.

Conflicts of Interest

Occasions may arise during the voting process where a potential conflict of interest could arise. Such conflicts could include: (i) where portfolio managers have opposing views in connection with voting shares of a company they are both invested in; (ii) where Marathon has a separate material relationship with, or is soliciting business from, a company lobbying for proxies; or (iii) where a personal relationship exists, such as where a friend or relation is serving as a director of a company soliciting proxies. A conflict could also exist if a material business relationship exists with a proponent or opponent of a particular initiative. Where Marathon identifies a material conflict of interest, the team involved will raise the matter with compliance. Such reporting will include full details of the issue including why the conflict is deemed material with confirmation on how the proxy vote is to be undertaken in the best interests of all clients thereby helping to mitigate any conflict identified.

PZENA

Pzena's proxy voting policies and procedures are designed to: (i) ensure that proxies are voted in the best interests of its clients; (ii) disclose to clients information about these policies and procedures and how clients can obtain information about their proxies; and (iii) describe how conflicts of interest are addressed. The proxy voting policies, procedures and guidelines are developed and administered by Pzena's Proxy Committee, which consists of Pzena's Director of Research, Chief Compliance Officer and at least one portfolio manager who is responsible for representing and expressing the opinions of all Pzena portfolio managers at Proxy Committee meetings. The Proxy Committee reviews the proxy voting policies, procedures and guidelines at least annually. The Chief Compliance Officer of Pzena is responsible for monitoring overall compliance with these procedures. Although the proxy voting policies, procedures and guidelines convey Pzena's general approach to certain issues, Pzena reviews all proxies individually and makes final decisions based on the merits of each issue.

Proxy Voting Procedures

Pzena subscribes to the proxy monitor and voting agent service offered by ISS. ISS provides proxy analysis, voting and vote-reporting services, but Pzena ultimately retains responsibility for instructing ISS how to vote and applies its own proxy voting guidelines when voting. ISS provides recordkeeping assistance by receiving and reviewing all proxy ballots and generating reports regarding proxy activity, as requested by Pzena. Pzena periodically monitors ISS to ensure that Pzena's proxy voting procedures are followed and conducts random tests to verify proper records are retained.

Proxy Voting Policy

Each proxy is evaluated by Pzena on the basis of what is in the best interests of its clients. Pzena deems the best interests of its clients to be that which maximizes shareholder value and yields the best economic results (e.g., higher stock prices, long-term financial health and stability). Pzena relies on ISS to identify factual issues of relevance and importance and uses information gathered from research and ongoing company analyses performed by Pzena's investment team in making buy, sell and hold decisions. Pzena also considers information from other sources, such as company management presenting a proposal, shareholder groups and independent proxy research services.

Unless a particular proposal or the particular circumstances of a company may otherwise require (such as in conflict of interest situations, as described below), Pzena generally supports:

- management recommendations for the election of directors and appointment of auditors
- reasonable incentive programs, such as those where 50% or more of the shares awarded to top executives are tied to performance goals
- proposals to have non-binding shareholder votes on compensation plans; unless the proposal restricts the company's ability to hire suitable management or restricts an otherwise responsible management team in some way harmful to the company
- facilitation of financings, acquisitions, stock splits and increases in shares of capital stock that do not discourage acquisition of the company
- anti-takeover measures that are in the best interest of the company shareholders, but opposes poison pills and other anti-takeover measures that thwart maximization of investment returns
- re-incorporation proposals that are in the best interests of shareholders and shareholder value and
- proposals enabling shareholders to call a special meeting of a company, so long as a 15% threshold is necessary for shareholders to do so.

On the other hand, Pzena generally opposes:

- classified boards or other proposals designed to eliminate or restrict shareholders' rights
- proposals requiring super majority votes for business combinations, unless the proposal or circumstances suggest that such a proposal would be in the best interests of the shareholders and
- vague, overly broad "other business" proposals for which insufficient detail or explanation is provided.

Pzena considers each environmental, social or corporate governance proposal on its own merits and has detailed policies in place to ensure that management is complying with requirements focused on auditor independence and improved board and committee representation. Pzena may abstain from voting a proxy if it concludes that the effect of abstention on its clients' economic interests or the value of the portfolio holding is indeterminable or insignificant.

Conflicts of Interest

The primary consideration in a conflict of interest matter is that Pzena acts for the benefit of its clients and places its clients' interests before its own interests and the interests of its principals and employees. Pzena has detailed rules in place to address potential conflict of interest situations.

SCHRODERS

Schroders and its sub-advisor evaluate and usually vote for or against all proxy requests relating to securities held in any account managed by Schroders or its sub-advisor (unless this responsibility has been retained by the client).

Proxies are treated and evaluated with the same attention and investment skill as the trading of securities in the accounts.

Proxies are voted in a manner that is deemed most likely to protect and enhance the longer-term value of the security as an asset to the account.

Corporate Governance Committee

The Corporate Governance Committee for the Schroders Group consists of investment professionals and other officers and coordinates with Schroders and its sub-advisor to ensure compliance with this proxy voting policy. The Committee meets on a periodic basis to review proxies voted, policy guidelines and to examine any issues raised, including a review of any votes cast in connection with controversial issues.

The procedure for evaluating proxy requests is as follows:

- The Schroders' Group Corporate Governance Team (the "**Team**") provides an initial evaluation of the proxy request, seeks advice where necessary, especially from the U.S. small cap and mid cap product heads, and consults with portfolio managers who have invested in the company should a controversial issue arise.
- When coordinating proxy-voting decisions, the Team generally adheres to the Group Environmental, Social & Governance Policy (the "**Policy**"), as revised from time to time. The Policy, which has been approved by the Corporate Governance Committee, sets forth Schroder Group positions on recurring issues and criteria for addressing non-recurring issues. The Corporate Governance Committee exercises oversight to assure that proxies are voted in accordance with the Policy and that any votes inconsistent with the Policy or against management are appropriately documented.
- The Team uses ISS to assist in voting proxies. ISS provides proxy research, voting and vote-reporting services. ISS's primary function is to apprise the Team of shareholder meeting dates of all securities holdings, translate proxy materials received from companies, provide associated research and provide considerations and recommendations for voting on particular proxy proposals. Although Schroders and its sub-advisor may consider ISS's and others' recommendations on proxy issues, Schroders and its sub-advisor bears ultimate responsibility for proxy voting decisions.
- Schroders and its sub-advisor may also consider the recommendations and research of other providers, including the National Association of Pension Funds' Voting Issues Service.

Conflicts

From time to time, proxy voting proposals may raise conflicts between the interests of Schroders' and its sub-advisor's clients and the interests of Schroders, its sub-advisor and/or their employees. Schroders and its sub-advisor have adopted this policy and procedures to ensure that decisions to vote the proxies are based on the clients' best interests.

For example, conflicts of interest may arise when:

- proxy votes regarding non-routine matters are solicited by an issuer that, directly or indirectly, has a client relationship with Schroders or its sub-advisor
- a proponent of a proxy proposal has a client relationship with Schroders or its sub-advisor
- a proponent of a proxy proposal has a business relationship with Schroders or its sub-advisor
- Schroders or its sub-advisor has business relationships with participants in proxy contests, corporate directors or director candidates.
- Schroders and its sub-advisor are responsible for identifying proxy voting proposals that may present a material conflict of interest. If Schroders or its sub-advisor receives a proxy relating to an issuer that raises a conflict of interest, the Team shall determine whether the conflict is "material" to any specific proposal included within the proxy. Schroders and its sub-advisor (or the Team on behalf of Schroders and its sub-advisor) will determine whether a proposal is material as follows:
 - Routine Proxy Proposals: Proxy proposals that are "routine" shall be presumed not to involve a material conflict of interest unless Schroders or its sub-advisor has actual knowledge that a routine proposal should be treated as material. For this purpose, "routine" proposals would typically include matters such as uncontested election of directors, meeting formalities, and approval of an annual report/financial statements.
 - Non-Routine Proxy Proposals: Proxy proposals that are "non-routine" will be presumed to involve a material conflict of interest, unless Schroders or its sub-advisor determines that neither Schroders, its sub-advisor, nor their personnel have a conflict of interest or the conflict is unrelated to the proposal in question. For this purpose, "non -routine" proposals would typically include any contested matter, including a contested election of directors, a merger or sale of substantial assets, a change in the articles of incorporation that materially affects the rights of shareholders, and compensation matters for management (e.g., stock, option plans, retirement plans, profit-sharing or other special remuneration plans). If Schroders or its sub-advisor determines that there is, or may be perceived to be, a conflict of interest when voting a proxy, Schroders and its sub-advisor address matters involving such conflicts of interest as follows:
 - A. If a proposal is addressed by the Policy, Schroders and its sub-advisor will vote in accordance with such Policy
 - B. If Schroders or its sub-advisor believes it is in the best interests of clients to depart from the Policy, Schroders and its sub-advisor will be subject to the requirements of C or D below, as applicable
 - C. If the proxy proposal is (1) not addressed by the Policy or (2) requires a case-by-case determination, Schroders and its sub-advisor may vote such proxy as it determines to be in the best interest of clients, without taking any action described in D below, provided that such vote would be against Schroders' or its sub-advisor's own interest in the matter (i.e., against the perceived or actual conflict). The rationale of such vote will be memorialized in writing and
 - D. If the proxy proposal is (1) not addressed by the Policy or (2) requires a case-by-case determination, and Schroders or its sub-advisor believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest, then Schroders and its sub-advisor must take one of the following actions in voting such proxy: (a) vote in accordance with ISS' recommendation; (b) in exceptional cases, inform the client(s) of the conflict of interest and obtain consent to vote the proxy as recommended by Schroders or its sub-advisor; or (c) obtain approval of the decision from the Chief Compliance Officer and the Chief Investment Officer (the rationale of such vote will be memorialized in writing). Where the director of a company is also a director of Schroders plc, Schroders and its sub-advisor will vote in accordance with ISS' recommendation.

Voting Coverage

Schroders and its sub-advisor recognize their responsibility to make considered use of voting rights. The overriding principle governing our approach to voting is to act in line with their fiduciary responsibilities in what they deem to be the interests of their clients.

Schroders and its sub-advisor normally hope to support company management; however, they will withhold support or oppose management if they believe that it is in the best interests of their clients to do so.

Schroders and its sub-advisor vote on a variety of resolutions; however, the majority of resolutions target specific corporate governance issues which are required under local stock exchange listing requirements, including but not limited to: approval of directors, accepting reports and accounts, approval of incentive plans, capital allocation, reorganizations and mergers. Schroders and its sub-advisor vote on both shareholder and management resolutions.

Schroders Corporate Governance specialists assess resolutions, applying its voting policy and guidelines (as outlined in its Environmental, Social and Governance Policy) to each agenda item. These specialists draw on external research, such as the Investment Association's Institutional Voting Information Services, the ISS, and public reporting.

Schroders' and its sub-advisor's own research is also integral to their process and this will be conducted by both their investment and ESG analysts. Corporate Governance specialists will consult with the relevant analysts and portfolio managers to seek their view and better understand the corporate context. The final decision will reflect what investors and Corporate Governance specialists believe to be in the best long-term interest of their client. When voting, where there is insufficient information with which to make a voting decision Schroders and its sub-advisor may not vote.

In order to maintain the necessary flexibility to meet client needs, local offices of Schroders and its sub-advisor may determine a voting policy regarding the securities for which they are responsible, subject to agreement with clients as appropriate, and/or addressing local market issues. Both Japan and Australia have these.

Schroders UK Stewardship Code Statement outlines its approach in this area in more detail for all of its international holdings and is publicly available.

VGA

VGA has delegated the management and administration of the Manager's proxy voting policy to The Vanguard Group, Inc. ("**VGI**"). In such capacity, VGI will provide services to vote proxies on behalf of the portion of the portfolio of a Fund sub-advised by VGA in accordance with the proxy voting policies and procedures described below.

VGI conducts oversight of proxy voting, in respect of the portion of the portfolio of a Fund sub-advised by VGA, through the Investment Stewardship Oversight Committee (the "**Committee**"), which is made up of senior officers of VGI, and is subject to the operating procedures and policies described below. The Committee reports directly to the board of directors of VGI.

The overarching objective in voting is simple: to support proposals and director nominees that maximize the value of a Fund's investments - and those of its unitholders - over the long term. Although the goal is simple, the proposals the Funds receive are varied and frequently complex. As such, the guidelines provide a rigorous framework for assessing each proposal and seek to ensure that each vote is cast in the best interest of a Fund. Under the guidelines, each proposal must be evaluated on its merits, based on the particular facts and circumstances as presented.

Investment Stewardship Team

The Investment Stewardship Team of VGI administers the day-to-day operation of the Funds' proxy voting process, overseen by the Committee. Although most votes are determined based on the individual circumstances of the Fund and in accordance with the guidelines as adopted by the Funds, there may be circumstances when the Investment Stewardship Team refers proxy issues to the Committee for consideration. In addition, at any time, the Manager may elect to use its discretionary authority to vote proxies. The Investment Stewardship Team performs the following functions: (i) managing and conducting due diligence of proxy voting vendors; (ii) reconciling share positions; (iii) analyzing proxy proposals using factors described in the guidelines; (iv) determining and addressing potential or actual conflicts of interest that may be presented by a particular proxy; and (v) voting proxies.

Investment Stewardship Oversight Committee

The Committee works with the Investment Stewardship Team to provide reports and other guidance to the Manager regarding proxy voting by the Funds. The Committee has an obligation to exercise its decision-making authority subject to the fiduciary standards of good faith, fairness, and VGI's Code of Ethics. There may be instances when the Committee is called upon to determine how to apply the proxy voting procedures and guidelines in the best interest of each Fund's unitholders. The Manager reviews the procedures and guidelines annually.

Proxy Voting Principles

VGI's investment stewardship activities are grounded in four principles of good governance:

- *Board composition:* VGI believes good governance begins with a great board of directors. Its primary interest is to ensure that the individuals who represent the interests of all shareholders are independent, committed, capable, and appropriately experienced.
- *Oversight of strategy and risk:* VGI believes that boards are responsible for effective oversight of a company's long-term strategy and any relevant and material risks.
- *Executive compensation:* VGI believes that performance-linked compensation (or remuneration) policies and practices are fundamental drivers of sustainable, long-term value.
- *Governance structures:* VGI believes that companies should have in place governance structures to ensure that boards and management serve in the best interests of the shareholders they represent.

Evaluation of Proxies

For ease of reference, the procedures and guidelines often refer to all Funds. However, the processes and practices seek to ensure that proxy voting decisions are suitable for individual Funds. For most proxy proposals, particularly those involving corporate governance, the evaluation could result in the Funds having a common interest in the matter and, accordingly, each Fund casting votes in the same manner. In other cases, however, a Fund may vote differently from other Funds if doing so is in the best interest of the individual Fund.

The guidelines do not permit the Manager or VGA to delegate voting discretion to an unaffiliated third party. Because many factors bear on each decision, the voting policies incorporate factors that should be considered in each voting decision. A Fund may refrain from voting some or all of its shares or vote in a particular way if doing so would be in that Fund's and its unitholders' best interests. These circumstances may arise, for example, if the expected cost of voting exceeds the expected benefits of voting, if exercising the vote would result in the imposition of trading or other restrictions, or if a Fund (or all funds advised by VGA or any of its affiliates or

subsidiaries, in the aggregate) were to own more than the permissible maximum percentage of a company's stock (as determined by the company's governing documents or by applicable law, regulation, or regulatory agreement).

In evaluating proxy proposals, VGI considers information from many sources, including, but not limited to, an investment advisor unaffiliated with VGI that has investment and proxy voting authority with respect to funds advised by VGI that hold shares in the applicable company, the management or shareholders of a company presenting a proposal, and independent proxy research services. Additionally, data from proxy advisors serve as one of many inputs into its research process. The Funds may utilize automated voting for matters that are clearly addressed by the Fund's procedures and guidelines. While serving as a framework, the voting policies cannot contemplate all possible proposals with which a Fund may be presented. In the absence of a specific guideline for a particular proposal (e.g., in the case of a transactional issue or contested proxy), the Investment Stewardship Team, under the supervision of the Committee, will evaluate the matter and cast each Fund's vote in a manner that is in the best interest of each Fund, subject to the individual circumstances of the Fund.

Conflicts of Interest

VGI takes seriously its commitment to avoid potential conflicts of interest. Funds advised by VGI and its affiliates may invest in thousands of publicly listed companies worldwide. Those companies may include clients, potential clients, vendors, or competitors. Some companies may employ trustees, former executives, or family members of personnel of VGI who have direct involvement in VGI's Investment Stewardship program. VGI's approach to mitigating conflicts of interest begins with the Funds' proxy voting procedures. The procedures require that voting personnel act as fiduciaries, and must conduct their activities at all times in accordance with the following standards: (i) Fund unitholders' interests come first; (ii) conflicts of interest must be avoided; (iii) and compromising situations must be avoided. VGI maintains an important separation between the Investment Stewardship Team and other groups within VGI and VGA that are responsible for sales, marketing, client service, and vendor/partner relationships. Proxy voting personnel are required to disclose potential conflicts of interest, and must recuse themselves from all voting decisions and engagement activities in such instances. In certain circumstances, VGI may refrain from voting shares of a company, or may engage an independent third-party fiduciary to vote proxies.

Environmental and Social Proposals

Proposals in this category, initiated primarily by shareholders, typically request that a company enhance its disclosure or amend certain business practices. These resolutions are evaluated in the context of the general corporate governance principle that a company's board has ultimate responsibility for providing effective ongoing oversight of relevant sector- and company-specific risks, including those related to environmental and social matters. Each proposal are evaluated on its merits and supported when there is a logically demonstrable linkage between the specific proposal and long-term shareholder value of the company. Some of the factors considered when evaluating these proposals include the materiality of the issue, the quality of the current disclosures/business practices, and any progress by the company toward the adoption of best practices and/or industry norms.

Voting in Markets Outside Canada and the United States

Corporate governance standards, disclosure requirements, and voting mechanics vary greatly among the markets outside Canada and the United States in which the Funds may invest. Each Fund's votes are used, where applicable, to support improvements in governance and disclosure by each Fund's portfolio companies. Matters presented by portfolio companies domiciled outside Canada and the United States are evaluated in the foregoing context as well as in accordance with local market standards and best practices. Votes are cast for each Fund in

a manner philosophically consistent with the principles, while taking into account differing practices by market. In many other markets, voting proxies will result in a Fund being prohibited from selling the shares for a period of time due to requirements known as "share-blocking" or reregistration. Generally, the value of voting is unlikely to outweigh the loss of liquidity imposed by these requirements. In such instances, the Funds generally abstain from voting. The costs of voting (e.g., custodian fees, vote agency fees) in other markets may be substantially higher than for Canadian or U.S. holdings. As such, a Fund may limit its voting on foreign holdings in instances in which the issues presented are unlikely to have a material impact on unitholder value.

Voting Shares of a Company Subject to an Ownership Limitation

Certain companies have provisions in their governing documents or other agreements that restrict stock ownership in excess of a specified limit. Typically, these ownership restrictions are included in the governing documents of real estate investment trusts, but may be included in other companies' governing documents. A company's governing documents normally allow the company to grant a waiver of these ownership limits, which would allow a Fund to exceed the stated ownership limit. Sometimes a company will grant a waiver without restriction. From time to time, a company may grant a waiver only if a Fund (or Funds) agrees to not vote the company's shares in excess of the normal specified limit. In such a circumstance, a Fund may refrain from voting shares if owning the shares beyond the company's specified limit is in the best interests of the Fund and its unitholders. In addition, applicable law may require prior regulatory approval to permit ownership of certain regulated issuer's voting securities above certain limits or may impose other restrictions on owners of more than a certain percentage of a regulated issuer's voting shares. The Manager's board of directors has authorized the funds advised by VGA to vote shares above these limits in the same proportion as votes cast by the issuer's entire shareholder base (i.e., mirror vote) or to refrain from voting excess shares if mirror voting is not practicable.

Voting on a Fund's Holdings of Funds or Vanguard Funds

Certain Funds may, from time to time, own securities of another mutual fund or exchange-traded fund managed by the Manager or its affiliates ("**Vanguard Fund**"). If the Vanguard Fund submits a matter to a vote of its shareholders, the Fund shall not vote the shares it holds of a Vanguard Fund and the Manager, in its discretion, may arrange for such securities to be voted by the unitholders.

Securities Lending

There may be occasions when VGA and its affiliates need to restrict lending of and/or recall securities that are out on loan in order for a Fund to vote in a shareholder meeting. VGA and its affiliates have processes to monitor securities on loan and to evaluate any circumstances that may require it to restrict and/or recall the stock. In making this decision, VGA, together with VGI, considers:

- the subject of the vote and whether, based on VGI's knowledge and experience, VGI believes the topic is potentially material to the corporate governance and/or long term performance of the company
- the Funds' individual and/or aggregate equity investment in a company, and whether VGI estimates that voting Funds' shares would affect the shareholder meeting outcome and
- the long-term impact to Fund unitholders, evaluating whether VGI believes the benefits of voting a company's shares would outweigh the benefits of stock lending revenues in a particular instance.

WELLINGTON

Wellington and its sub-advisor have adopted and implemented policies and procedures that they believe are reasonably designed to ensure that proxies are voted in the best economic interests of clients for whom they exercise proxy-voting discretion.

Wellington's Proxy Voting Guidelines (the "**Guidelines**") set forth broad guidelines and positions on common proxy issues that Wellington and its sub-advisor uses in voting on proxies. In addition, Wellington and its sub-advisor also consider each proposal in the context of the issuer, industry and country or countries in which the issuer's business is conducted. The Guidelines are not rigid rules and the merits of a particular proposal may cause Wellington or its sub-advisor to enter a vote that differs from the Guidelines.

Statement of Policy

Wellington and its sub-advisor:

- Vote client proxies for which clients have affirmatively delegated proxy-voting authority, in writing, unless it determines that it is in the best interest of one or more clients to refrain from voting a given proxy.
- Vote all proxies in the best interests of the client for whom it is voting, i.e., to maximize economic value.
- Identify and resolve all material proxy-related conflicts of interest between the firm and their clients in the best interests of the client.

Responsibility and Oversight

The Investment Research Group ("**Investment Research**") monitors regulatory requirements with respect to proxy voting and works with the firm's Legal and Compliance Group and the Investment Stewardship Committee to develop practices that implement those requirements. Investment Research also acts as a resource for portfolio managers and research analysts on proxy matters as needed. Day-to-day administration of the proxy voting process is the responsibility of Investment Research. The Investment Stewardship Committee is responsible for oversight of the implementation of the Global Proxy Policy and Procedures, review and approval of the Guidelines and for providing advice and guidance on specific proxy votes for individual issuers.

Procedures

Use of Third-Party Voting Agent

Wellington and its sub-advisor use the services of a third-party voting agent to manage the administrative aspects of proxy voting. The voting agent processes proxies for client accounts, casts votes based on the Guidelines and maintains records of proxies voted.

Receipt of Proxy

If a client requests that Wellington or its sub-advisor vote proxies on its behalf, the client must instruct its custodian bank to deliver all relevant voting material to Wellington, its sub-advisor or their voting agent.

Reconciliation

Each public security proxy received by electronic means is matched to the securities eligible to be voted and a reminder is sent to any custodian or trustee that has not forwarded the proxies as due. Although proxies received for private securities, as well as those received in non-electronic format, are voted as received, Wellington and its sub-advisor are not able to reconcile these proxies to holdings, nor does it notify custodians of non-receipt.

Research

In addition to proprietary investment research undertaken by Wellington investment professionals, Investment Research conducts proxy research internally, and uses the resources of a number of external sources to keep abreast of developments in corporate governance and of current practices of specific companies.

Proxy Voting

Following the reconciliation process, each proxy is compared against the Guidelines, and handled as follows:

- Generally, issues for which explicit proxy voting guidance is provided in the Guidelines (i.e., "For", "Against", "Abstain") are reviewed by Investment Research and voted in accordance with the Guidelines.
- Issues identified as "case-by-case" in the Guidelines are further reviewed by Investment Research. In certain circumstances, further input is needed, so the issues are forwarded to the relevant research analyst and/or portfolio manager(s) for their input.
- Absent a material conflict of interest, the portfolio manager has the authority to decide the final vote. Different portfolio managers holding the same securities may arrive at different voting conclusions for their clients' proxies.

Wellington and its sub-advisor review regularly the voting record to ensure that proxies are voted in accordance with these Global Proxy Policy and Procedures and the Guidelines; and ensure that documentation and reports, for clients and for internal purposes, relating to the voting of proxies are promptly and properly prepared and disseminated.

Material Conflict of Interest Identification and Resolution Processes

Wellington and its sub-advisor's broadly diversified client base and functional lines of responsibility serve to minimize the number of, but not prevent, material conflicts of interest it faces in voting proxies. Annually, the Investment Stewardship Committee sets standards for identifying material conflicts based on client, vendor, and lender relationships, and publishes those standards to individuals involved in the proxy voting process. In addition, the Investment Stewardship Committee encourages all personnel to contact Investment Research about apparent conflicts of interest, even if the apparent conflict does not meet the published materiality criteria. Apparent conflicts are reviewed by designated members of the Investment Stewardship Committee to determine if there is a conflict and if so whether the conflict is material.

If a proxy is identified as presenting a material conflict of interest, the matter must be reviewed by designated members of the Investment Stewardship Committee, who will resolve the conflict and direct the vote. In certain circumstances, the designated members may determine that the full Investment Stewardship Committee should convene.

Other Considerations

In certain instances, Wellington and its sub-advisor may be unable to vote or may determine not to vote a proxy on behalf of one or more clients. While not exhaustive, the following are potential instances in which a proxy vote might not be entered.

Securities Lending

In general, Wellington and its sub-advisor do not know when securities have been lent out pursuant to a client's securities lending program and are therefore unavailable to be voted. Efforts to recall loaned securities are not always effective, but, in rare circumstances, Wellington and its sub-advisor may recommend that a client attempt to have its custodian recall the security to permit voting of related proxies.

Share Blocking and Re-registration

Certain countries impose trading restrictions or requirements regarding re-registration of securities held in omnibus accounts in order for shareholders to vote a proxy. The potential impact of such requirements is evaluated when determining whether to vote such proxies.

Lack of Adequate Information, Untimely Receipt of Proxy Materials, or Excessive Costs

Wellington and its sub-advisor may abstain from voting a proxy when the proxy statement or other available information is inadequate to allow for an informed vote, when the proxy materials are not delivered in a timely fashion or when, in Wellington or its sub-advisor's judgment, the costs exceed the expected benefits to clients (such as when powers of attorney or consularization are required).

Additional Information

Wellington and its sub-advisor maintain records related to proxies pursuant to Rule 204-2 of the Investment Advisers Act of 1940, the Employee Retirement Income Security Act of 1974, as amended, and other applicable laws.

Wellington and its sub-advisor provide clients with a copy of its Global Proxy Policy and Procedures, including the Guidelines, upon written request. In addition, Wellington and its sub-advisor make specific client information relating to proxy voting available to a client upon reasonable written request.