

PROXY VOTING POLICY

Policy Updates Summary

Date	Date of UDP Approval	Summary of Changes
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1. Objective

Algonquin Capital Corporation (“Algonquin”) has established policies and procedures that it follows to determine whether, and how, to vote on any matter for which the investment fund receives, in its capacity as a securityholder, proxy materials for a meeting of securityholders of an issuer.

2. Scope

The Proxy Voting policy applies to all investment funds and managed accounts (the “Funds and Accounts”) where Algonquin acts as the investment manager. This policy does not apply to managed accounts where the underlying investment management agreement specifically addresses whether and how to vote proxies arising from securities held in such managed accounts.

3. Requirements

3.1 General Considerations

Algonquin primarily manages funds and accounts that invest in fixed income instruments therefore typically does not hold voting rights. However, in rare circumstances, the holders of fixed income instruments are required to vote on matters specific to fixed income instruments (e.g. changes in covenants). As the investment manager of investment funds and managed accounts, Algonquin has the authority to exercise any voting rights that a fund or an account has in its capacity as a security holder of an issuer. It is Algonquin’s policy to exercise these voting rights in order to serve the best interests of the unitholders of the funds and the beneficiaries of the managed accounts (together the “Clients”) determined at the time when the vote is cast.

For proxies relating to securities held in investment funds that are reporting issuers, Algonquin complies with the requirements detailed in Part 10 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (“NI 81-106”).

Where a conflict of interest may exist between the interests of the Clients and those of Algonquin, the Clients’ interests have precedence. Algonquin documents instances where a conflict of interest is identified and reports such instances to the risk management committee.

Algonquin attempts to vote all proxies. However, there can be circumstances where it is in the best interest of the Clients for votes to not be cast on a specific matter or there may be situations where voting is impractical. Examples of such situations include but are not limited to insufficient information available on the matter being voted upon, proxy documents not being delivered by the custodian in a timely manner, lack of proxy materials in English, cost of voting exceeds potential benefit to Clients, and the matter is not material to the Funds and Accounts.

Algonquin may engage third party proxy advisory firms to help advise on proxy voting matters and record keeping. Any third-party proxy advisors engaged by Algonquin are evaluated for effectiveness and reliability with consideration for guidance provided by Canadian Securities Administrators in National Policy 25-201 *Guidance for Proxy Advisory Firms*.

3.2 Routine Matters

Proxies most often contain proposals such as to elect directors, adopt or amend management compensation, appoint auditors and set their compensation, and amend the capital structure of the issuer (together “Routine Matters”). Proxies on Routine Matters are voted with the issuer’s management because Algonquin considers its decision to invest in an issuer’s securities as an endorsement of the issuer’s management.

In some cases, Algonquin may determine that it is not in the best interest of Clients for proxies to be voted

with the issuer's management. In such instances, the votes will be exercised with consideration for the following guidelines:

- a. Election of Directors*
Proxies are commonly voted in favour of election of directors to ensure a majority of independent directors, an independent board chair, and all or at least a majority of independent chairs of committees of the board.
- b. Management Compensation*
Proxies are voted in favour of management compensation plans that align management's interests with those of the securityholders by tying together long-term corporate performance with securityholder value.
- c. Appointment of Auditors and Auditor Compensation*
The recommendations of an audit committee consisting entirely of independent directors are supported concerning the appointment of the issuer's independent auditors and setting of the auditors' compensation.
- d. Capital Structure Changes*
Changes in capital structure that are adequately supported by a reasonable need for change and do not excessively dilute existing securityholders' value are supported.

At times, in order to further the best interests of the Funds and Accounts, Algonquin may determine that circumstances warrant the voting of proxies differently than the manner anticipated by the guidelines detailed in this section of the policy. The final decision as to the casting of proxies is determined by the risk management committee in consultation with members of the investment committee.

3.3 Non-Routine Matters

Non-Routine Matters, considered to be all matters not considered in the Routine Matters section of this policy, are addressed on a case-by-case basis with the primary consideration for ensuring that proxies are voted in favour of outcomes that further the best interests of Clients. The guidelines described in Section 3.2 of this policy are considered in determining the appropriate voting on non-routine matters.

3.4 Proxy Voting Administration

3.4.1 Compliance with Proxy Voting Policy

The Proxy Voting Policy is shared and reviewed with any person or entity that is authorized to cast a vote on behalf of the Funds and Accounts, including requiring written confirmation that such entity or person will abide by the requirements of the policy.

Where a deviation from the policy is deemed necessary by the authorized person or entity, they must seek approval from Algonquin as to such deviations before casting the vote.

3.4.2 Proxy Voting Records

The Chief Compliance Officer retains a record of all proxies received, all votes cast, and how each vote was cast. A summary of the proxy voting records is included in the annual Chief Compliance Officers' report to Algonquin's Board of Directors.

The proxy voting record is maintained for an annual period beginning 1 July and ending 30 June of each year. The annual proxy voting record is prepared by the Chief Compliance Officer and reviewed and

approved by the Ultimate Designated Person for completeness and accuracy.

The proxy voting record for investment funds that are reporting issuers is maintained and disclosed in accordance with sections 10.3 and 10.4 of NI 81-106. Annual proxy voting records are disclosed on Algonquin's website and also included in each reporting issuer fund's Annual Information Form, in accordance with NI 81-101 *Mutual Fund Prospectus Disclosure*.

4. Related Materials

- National Instrument 81-106 *Investment Fund Continuous Disclosure*
- National Policy 25-201 *Guidance for Proxy Advisory Firms*
- NI 81-101 *Mutual Fund Prospectus Disclosure*
- Investment Fund Manager Policy