

Qwest Investment Funds Management Ltd.

Proxy Voting Policies and Procedures

I. INTRODUCTION

Corporate governance is the set of principles, procedures and rules that direct and control the affairs of a company. The objective of good corporate citizenship is to promote strong, viable and competitive corporations, with the purpose of enhancing shareholder value.

Some areas of corporate governance are established by legislative and regulatory framework, while other aspects are within the control of a company's board of directors, management and shareholders. This document deals with the aspect of corporate governance that is not legislated or regulated but rather, under the control of directors, management and shareholders. As shareholders have the right to exercise their corporate governance influence through the voting of shares, this policy is referred to as the Proxy Voting Policy.

Qwest Investment Fund Management Ltd. ("QIFM") strongly believes that a proxy vote is a valuable asset and a right that should be exercised prudently by QIFM, as a fiduciary, in order to maximize long-term shareholder value of the companies in which QIFM invests.

II. PROXY VOTING POLICIES

i. Client-Directed Voting

The assets in investment funds managed by QIFM (the "Funds") are investor property, and as a result, investors have the ability to vote securities if they select to do so. In this situation, the Funds must provide QIFM with specific instructions and sufficient notification. Furthermore, QIFM must maintain a record of Fund and specific proxy voting situations in which clients have directed the voting of securities.

ii. Sub-Advisor Voting

In situations in which QIFM appoints sub-advisors in Funds' discretionary investment portfolios, QIFM can delegate proxy voting obligation to the sub-advisors contracted. In these situations, QIFM will be relying upon the sub-advisors' proxy voting policies. QIFM will be required to obtain a copy of the sub-advisors' proxy voting policies.

iii. QIFM's Voting Policy is divided into three categories:

1. Evaluation

- (a) Board of Directors
- (b) Management Compensation
- (c) Corporate Structure and Shareholder Rights

(d) Routine Business Decisions

2. Approval

3. Notification

1. Evaluation

In order for QIFM to prudently and consistently evaluate various corporate governance situations, QIFM has adopted the following set of QIFM proxy voting guidelines. The following proxy voting guidelines summarize the QIFM positions on various issues and give a general indication as to how QIFM should vote proxies on each issue. QIFM is responsible for the voting of proxies on behalf of a Fund account. Therefore, QIFM can vote proxies in a manner that differs from the voting guidelines if, after a review of the matter, QIFM believes that it would be in the best interests of its Fund accounts to vote such proxies in such a manner.

(a) Boards of Directors

Overview

The boards of directors are stewards of a corporation's assets and represent the interests of the shareholders. The board's responsibility is to add value to those assets by engaging in a mature and constructive relationship with management to build a successful corporation and enhance shareholder value. The board's key functions are to approve direction of corporate strategy, supervise risk management, and evaluate performance of the company and management; concurrently, the board maintains accountability to shareholders. In performing these functions, directors act independently from management, rather than for any special interest group. All directors should be nominated on the basis of experience and expertise.

Guidelines

QIFM will generally vote FOR the following:

- Separate votes for individual board nominees;
- Proposals establishing or increasing directors' indemnification;
- Management's nominees where the majority of directors are independent;
- A portion of directors' compensation to be paid in common shares;
- The separation of the role of Chair and Chief Executive Officer; and
- Proposals eliminating or reducing directors' liability.

QIFM will generally vote AGAINST the following:

- Cumulative Votes for board nominees;

- Staggered boards; and
- Interlinking directorships with related companies.

QIFM will generally consider on an individual basis recommendations related to:

- Size of Board of Directors.

(b) Management Compensation

Overview

Executive compensation and incentives are the costs that shareholders are prepared to pay for having people with relevant expertise and experience manage the company for them and enhance long-term shareholder value. Well-designed compensation structures can serve to align the interests of directors, management and shareholders. Management favours compensation where there is limited downside, whereas shareholders prefer it to be tied to company performance. Companies must strike a balance between compensation practices that are required to attract and retain qualified executives that can maintain the company's competitive position. In addressing compensation issues, companies are best served by establishing a Compensation Committee whose task is to ensure that compensation arrangements are structured in such a way as to ensure that this balance is achieved.

Guidelines:

QIFM will generally vote FOR the following:

- Executive compensation packages that are competitive without being excessive; and
- Executive compensation packages that have a component linked to company performance.

QIFM will generally vote AGAINST the following:

- **Option plans that have the following features:**
 - Options Priced Below Market Value At Issuance;
 - Lowering The Exercise Price On Previously Granted Options;
 - Large Option Grants To One Individual or a Small Group;
 - Vesting periods less than 3 years; and
 - Dilution Caps in excess of 10% of outstanding shares.
- **Restricted stock plans that have the following features:**
 - Vesting periods less than 3 years;

- Golden Parachutes that are competitively excessive; and
- Aggregate dilution of all equity based compensation plans in excess of 10% of outstanding shares.

(c) Corporate Structure and Shareholder Rights

Overview

Shareholders can influence the affairs of a corporation in which they invest. This can be done by directly communicating with the management and directors of the company and/or by exercising proxy voting rights. Share ownership rights are assets that should be protected and therefore shareholders should keep themselves informed about market and corporate governance issues that may affect the company in which they invest. Effective shareholders must manage their proxy votes to protect their ownership in such corporations. QIFM believes that it is in the best interest of their clients that shareholder rights are exercised with the aim of enhancing long-term investment returns. The following sections address some specific issues that impact shareholders' rights.

Guidelines:

QIFM will generally vote FOR the following:

- Confidential voting;
- The right to hold special meetings of shareholders;
- The right to act by written consent of the shareholders;
- Share splits;
- Management's recommendation for the appointment/reappointment of auditors;
- The separation of audit and consulting responsibilities;
- Routine business decisions such as name changes and the setting of the number of directors;
- Reverse anti-takeover amendments.

QIFM will generally vote AGAINST the following:

- Takeover Protection Plans;
- Shares with unequal or multiple voting rights;
- Super-Majority proposals requiring an approval rate greater than 2/3rd;
- Payment of Greenmail;
- Unlimited Share Issuance (Blank Cheque Proposals); and

- Proposals that are linked.

QIFM will generally consider on an individual basis recommendations related to:

- Increasing authorized common shares;
- Approval of a reorganization or merger;
- Approval of a dissident shareholder in a proxy battle;
- Establishing or increasing a stock option plan or other employee compensation plan; and
- Issues related to independent directors.

2. Approval

Proxy voting decisions are approved by a portfolio manager, or their delegate, when:

- Securities are voted in accordance with QIFM proxy voting guidelines.

Proxy voting decisions are approved by the Chief Compliance Officer, or delegate, when:

- Securities are voted against QIFM proxy voting guidelines;
- Abstaining from a corporate vote;
- Conflict of interest situations;
- Dissenting shareholders' rights; and
- Participation (or deemed participation) in shareholder activism initiatives.

3. Notification

When QIFM is voting the proxy

- Appropriate proxy voting instructions are to be provided to the appropriate designated third party clearing agent within the appropriate timelines; and
- Notification will be provided by the portfolio manager, or their delegate, as outlined above.

When the Fund Account is voting the proxies

- A "best efforts" basis will be used by QIFM to notify the Fund account and receive proxy voting instructions.

- Please note that QIFM may utilize third party proxy voting services provided they adhere to the above policy.

Recordkeeping:

The records related to all QIFM proxy voting will adhere to the principles outlined in the QIFM Corporate Filings & Recordkeeping Policy.

Proxy Voting Reporting:

A summary of all proxy voting activities by QIFM will be provided to the QIFM Investment Committee for review on a monthly basis.