



POLICY GOVERNING THE EXERCISE OF VOTING RIGHTS OF PUBLIC COMPANIES

PC-4 BOARD OF DIRECTORS

PC-4.1 Independence of directors

The majority of directors who sit on the board of each company must be independent.

As an exception to the general principle stated above and solely where appropriate mechanisms are in place to manage any potential conflict of interest between a shareholder holding a large block of shares and the company, we consider the level of independence of the board to be sufficient when there is a shareholder with a large block of shares on the condition that at least:

- The majority of the members are independent of the company;
- The majority of the members are independent of the shareholder with the large block of shares; and
- One-third of the members are independent of both the company and the shareholder with the large block of shares.

In all cases, we expect that the company's ties with each director and the circumstances that could create a conflict of interest or the appearance of a conflict of interest be disclosed.

Board members are considered independent when they have no direct or indirect personal or professional ties with the company or its managers that risk influencing their judgment and leading to decisions that are not in the best interests of the company. To determine the level of independence based on this criterion, we take into account such aspects as securities laws and regulations and the applicable stock exchange listing requirements.

In evaluating the degree of independence of a member, we also consider the appointment date of the board member deemed independent by the company. We may call into question the independence of a member who has been on the board for more than twelve (12) years. It is especially important in this context for the company to fully disclose the reasons the member should continue to be considered independent. CDPQ will carefully examine the disclosure to this effect in the proxy and, if necessary, contact the company for further information before determining whether the member should be considered as independent for the purposes of this Policy. CDPQ will also take into account the length of the other board members' terms and will try to establish if there is a proper balance between maintaining the institutional memory and bringing in new points of view.