POLICY ON THE PRINCIPLES GOVERNING THE EXERCISE OF VOTING RIGHTS OF PUBLIC COMPANIES

V_12 SHAREHOLDER RIGHTS

V_12-1 Unequal or subordinate voting shares

The Caisse generally favours the issuance of single voting shares. However, it notes that in some circumstances a company benefits from or is justified in using capital structure with unequal voting shares, such as when it is in the interest of a majority of the shareholders that the holder of a large block of shares retain effective control of the company.[3] An adequate structure to protect against such impacts needs to be implemented.

V_12-2 Super-majority approval of business transactions

The Caisse is opposed to any proposal to increase to more than 66.6% the number of shares outstanding required to approve the company's transactions.

V_12-3 Payment of greenmail

The Caisse is opposed to payment of greenmail[4]. It supports measures that aim to avoid such transactions.

V_12-4 Linked proposals (e.g. fair-price and super-majority amendments)

The Caisse supports resolutions that include linked proposals to the extent they are in the interests of shareholders.

The Caisse does not support linked proposals whose objective is to make one element of the proposal more acceptable.

V_12-5 Unlimited share issues – “Blank-cheque” preferred

The Caisse is generally opposed to the issuance of or an increase in "blank-cheque" preferred shares, unless the objective of issuing and the number of shares are stated or the issuing is in the interests of shareholders.

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[3] See Appendix II for conditions under which the Caisse may favour unequal voting rights.

[4] Greenmail: in order to avoid a hostile takeover bid, the target company uses its own funds to purchase the raider’s stock at a price above that available to other stockholders.