



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

PR-07 EXECUTIVE COMPENSATION

PR-07-06 Advisory vote

We support resolutions to have companies adopt a vote on non-binding ratification of executive compensation policies and programs. This practice to consult shareholders enables them to have a say about these issues without involving them in the decisional process and the discretion exercised by the board of directors.

When we are asked to vote on executive compensation policies and programs as part of non-binding ratification, we analyze the entire structure of the compensation program on a case-by-case basis and the total amount of compensation in order to ensure it is not excessive.

We generally favour holding such a vote on an annual basis.