



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

PR-07 EXECUTIVE COMPENSATION

PR-07-09 Pledging and hedging policy

We favour compensation plans that prohibit executive officers from making financial transactions that aim to hedge or monetize the value of their shares or their unvested securities or pledge their equity ownership. These practices erode the relationship between the company's performance and the compensation granted via these securities.

However, we evaluate the companies that allow their executives to pledge a portion of their holdings on a case-by-case basis.