

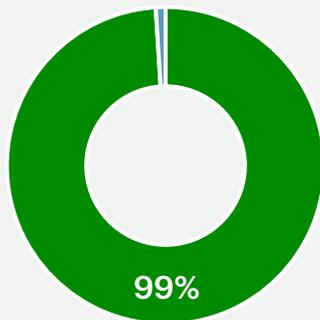


## About the Report

- This report provides a summary view of the Q3, 2021 proxy voting activity across all TD Asset Management Inc. (TDAM) managed portfolios in the U.S., Canada and international markets. Proxy voting is an important part of our stewardship efforts; it's a means to influence company practice, particularly in the area of good governance and on environmental and social issues and carry out our fiduciary duty and responsibility as active owners.

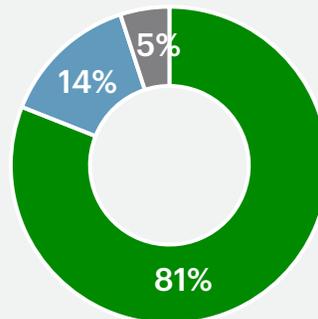
## Basic Voting Activity

Q3 Voteable <sup>1</sup> vs. Voted <sup>2</sup>



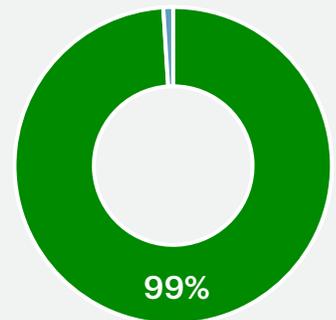
■ Voted  
■ Voteable

Q2 Vote Instruction



■ For  
■ Against  
■ Withhold

Proposals Voted by Proponent



■ Management  
■ Shareholder

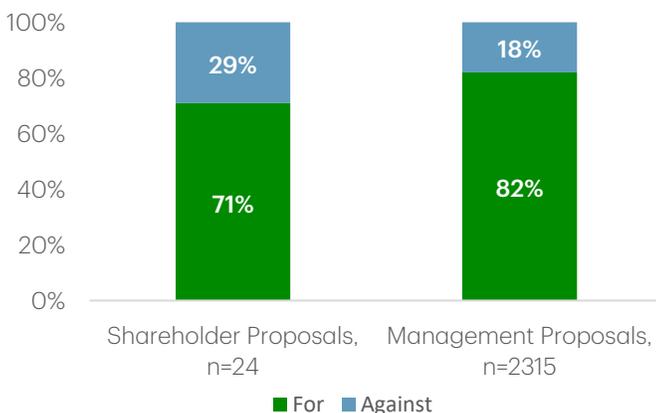
<sup>1</sup> meetings (n=243), ballots (n=1071), and proposals (n=2348)

<sup>2</sup> Percentage of voted meetings, ballots and proposals

Source: TDAM, As of September 31, 2021

## ESG-Related Voting Activity

Vote Instructions by Proponent

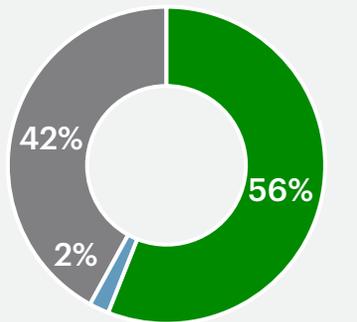


■ For ■ Against

- As expected in post-peak proxy season, we saw fewer meetings and consequently less items up for vote in Q3. Total items voted on in Q3 represented less than 10% of the number of items in the previous quarter, although the proportion of shareholder and management items on the ballot only saw a slight change; shareholder proposals represented 1% of total items, down from 3% in Q2.
- More than half the votes against management were related to the election of individual directors sitting on specific board committees (e.g. the nominating committee), with concerns around diversity – both gender and racial/ethnic diversity – continuing to be the dominant rationale. Lack of majority board independence and other concerns related to compensation also impacted our support in director elections.

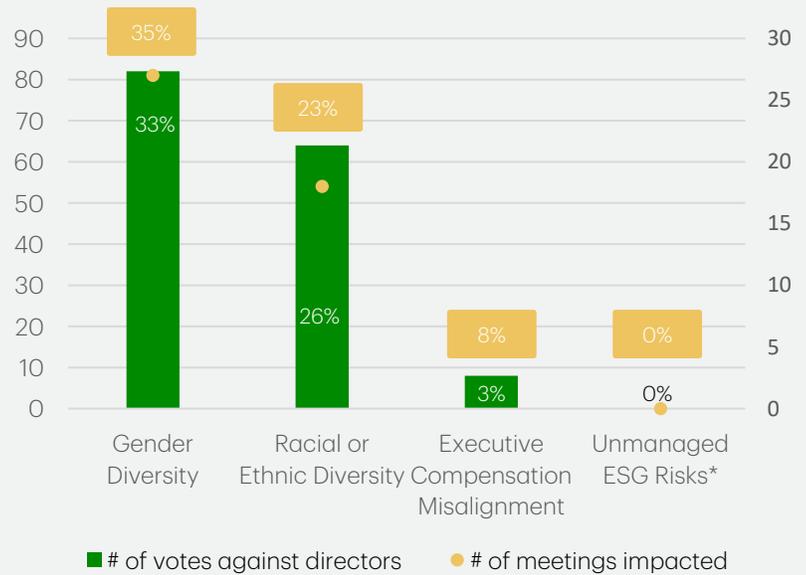
Source: TDAM, As of September 30, 2021

## Vote Against Management<sup>3</sup>



- Against Directors
- Against MSOP
- Against 'Other'

## Vote Against Directors<sup>4</sup>



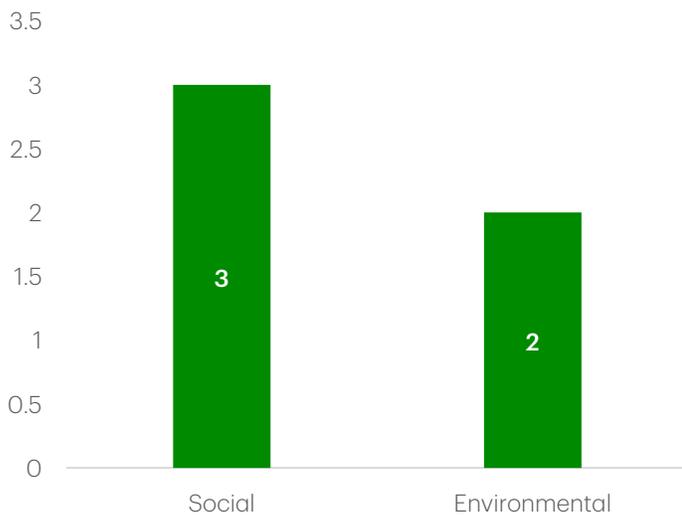
<sup>3</sup>Against Directors = votes against individual directors; MSOP = "Management Say on Pay"

<sup>4</sup>Some Directors may have received an AGAINST/WITHHOLD vote due to more than one rationale (e.g. lack of gender diversity AND lack of racial or ethnic diversity on the board)

\*\*Generally attributed to involvement in moderate or severe controversies.

Source: TDAM, As of September 30, 2021

## Environmental & Social (E&S) Shareholder Proposals Supported



Source: TDAM, As of September 30, 2021

## Key Takeaways from Shareholder Proposals

- The majority of shareholder proposals up for vote in Q3 were related to routine business or governance matters; TDAM was supportive of most, particularly requests to enhance shareholder rights via mechanisms like the ability to act by written consent.
- All of the E&S proposals that we voted FOR urged greater transparency and better reporting on issues ranging from political contributions to racism and corporate culture to climate goals and targets.

# Engagement and Proxy Voting in Action

ESG Research and Engagement Team at TDAM ("We") reviews upcoming AGM meetings on a regular and rolling basis throughout the year. While TDAM has established custom auto-vote instructions for most routine agenda items, we will monitor non-routine and ESG-related issues. These items may require / trigger additional research. On occasion we may determine that an engagement meeting would be beneficial prior to making our final vote decision. Below is a case study from Q3.

## Case Study: Media and Entertainment company, August 2021

<b>Engagement Topic(s)</b>	Executive Compensation
<b>Goals/Driver</b>	The company's executive compensation plan raised concerns among investors, specifically the practice of frequently granting special awards. In addition, our research flagged the company for a pay-for-performance misalignment during the period under review. We met with the company via teleconference to better understand its approach to executive compensation and how it was responding to shareholder concerns prior to its annual general meeting (AGM).
<b>Key Takeaways</b>	The company outlined how it had revised its compensation plan following its failed "say-on-pay" proposal the previous year and after incorporating shareholder feedback. This included a commitment to not grant special awards up until 2026, although the shareholders most critical of the company's plan had pushed for a much longer moratorium. We also took the opportunity to ask the company about controversies related to "pay-for-play" formats in some products, as well as diversity on the board and across the firm.
<b>Outcome / Next Steps</b>	<p>While we recognized the company's responsiveness to shareholder concerns surrounding pay practices, we ultimately decided not to deviate from our initial voting plan and voted against the "say-on-pay" proposal at the AGM. The pay-for-performance misalignment was an exacerbating factor for this period, despite compensation plan adjustments.</p> <p>2021 Advisory Vote on Executive Compensation Vote Result: 40% FOR, 55.5% AGAINST, 4.5% Abstain</p>

► **For more information, please contact your  
Relationship Management team.**



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