



McLean Budden
Proxy Voting
Guidelines

2010

Table of Contents

1.	BOARD OF DIRECTORS	3
1.1	INDEPENDENCE OF THE BOARD OF DIRECTORS	3
1.2	DIRECTOR ATTENDANCE	3
1.3	TERM LIMITS FOR DIRECTORS	4
1.4	SEPARATION OF CHAIR AND CEO	4
1.5	COMMITTEES OF THE BOARD	4
1.6	AUDIT PROCESS	5
1.7	CUMULATIVE VOTING	5
1.8	STAGGERED BOARDS	6
1.9	DIRECTOR COMPENSATION	6
1.10	SIZE OF BOARD OF DIRECTORS	7
2.	MANAGEMENT COMPENSATION	8
2.1	STOCK OPTION AND INCENTIVE COMPENSATION PLANS	8
2.2	COMPENSATION PLANS	9
2.3	GOLDEN PARACHUTES	9
2.4	CORPORATE LOANS	10
3.	SHAREHOLDERS	11
3.1	CONFIDENTIAL VOTING BY SHAREHOLDERS	11
3.2	TAKEOVER PROTECTION – SHAREHOLDER RIGHTS PLANS	11
3.3	DUAL CLASS SHARES	12
3.4	SUPERMAJORITY APPROVAL	13
3.5	LINKED PROPOSALS	14
3.6	UNLIMITED SHARE ISSUES/INCREASE IN AUTHORIZED SHARES	14
3.7	SHAREHOLDER PROPOSALS	15
3.8	DISCLOSURE OF VOTING RESULTS	15
3.9	BLANK-CHEQUE PREFERRED SHARES	16
4.	OTHER BUSINESS	17

Proxy Voting Guidelines

McLean Budden views good corporate governance as an important contributor to overall corporate performance and long-term investment returns.

This document is intended as a general guide for how we vote proxies on behalf of our clients and not a rigid policy position. In all matters we will review and vote proxies on a case-by-case basis. Based on our reviews we may deem it appropriate to vote differently than what is set out in these guidelines.

Corporate Governance is dynamic. Best practices in corporate governance will continue to evolve. We may change our guidelines from time to time in response to changes in governance practices. The most recent copy of our guidelines can be found on our website, www.mcleanbudden.com.

1. Board of Directors

The board of directors' primary role is to protect the interests of all shareholders. Key functions of the board are to approve the direction of corporate strategy, ensure succession of management and evaluate performance of the corporation as well as senior management. The board is accountable to shareholders, and must operate independently from management.

1.1 Independence of the Board of Directors

Guideline

The majority of board members should be independent from the corporation, management or a majority shareholder. An independent member should not be a former employee of the company or a representative of a key supplier to or a key client of the company.

Voting Policy

We will generally support boards that have a majority of board members classified as independent.

1.2 Director Attendance

Guideline

Board membership requires a significant amount of time in order for responsibilities to be executed, and attendance at Board and Committee meetings is noted.

Voting Policy

Generally we look for attendance records to be in the 75% participation range.

1.3 Term Limits for Directors

Guideline

We are more concerned with the performance of directors and not with the term limits.

Voting Policy

Generally we do not support term limits

1.4 Separation of Chair and CEO

Guideline

In most cases it is advisable for separation between the CEO and the Chair to enhance separation of management interests and shareholders.

Voting Policy

In most cases we would support a recommendation to separate the Chair from the CEO. Lead directors are considered acceptable, and in this situation an independent Corporate Governance committee must also be in place.

1.5 Committees of the Board

Guideline

The Audit, Compensation, Governance and Nominating committees are the most significant committees of the board.

Voting Policy

We will support the establishment of these committees, however independent director membership on these committees is the primary concern. Two-thirds independent membership is satisfactory, provided that the chair of the committee is independent.

1.6 Audit Process

Guideline

The members of an audit committee should be independent directors, and the auditor must also be independent. The auditor should report directly to the Audit committee, and not to management.

Voting Policy

We will generally support the choice of auditors recommended by the Audit Committee. In the event that the auditor supplies other services for a fee other than the audit, each situation will be reviewed on a case-by-case basis.

1.7 Cumulative Voting

Guideline

Our experience has been that cumulative voting is generally proposed by large shareholders who may wish to exert undue influence on the board.

Voting Policy

We generally oppose cumulative voting, however it may be considered if the board has been unresponsive to shareholders.

1.8 Staggered Boards

Guideline

We prefer annual election of directors in order that shareholders have more power to replace directors deemed to not be acting in the shareholders' interest.

Voting Policy

We will not support introduction of staggered terms. However should a staggered board already exist, we will not vote against the board. Staggered boards are more commonplace outside Canada. Generally we support proposals to eliminate staggered boards.

1.9 Director Compensation

Guideline

Directors should be compensated fairly for the time and expertise they devote on behalf of shareholders. Directors should personally own shares in the corporation, and preferably receive remuneration in the form of shares.

Voting Policy

We support recommendations where a portion of the remuneration is to be in the form of common stock. We do not support options for directors, and do not support retirement bonuses or benefits for directors.

1.10 Size of Board of Directors

Guideline

Generally boards should be comprised of a minimum of seven to a maximum of fifteen. However the complexity of the company has an impact on required board size.

Voting Policy

The independence of the board is a greater concern than the number of members. However should a change in board size be proposed as potentially an anti-takeover measure we would vote against.

2. Management Compensation

Compensation plans for executives should be designed to attract and retain the right people with the right skill set to manage the company successfully long-term. These plans should be competitive within the company's respective industry without being excessive and should attempt to align the long-term interest of shareholders with the interests of management and directors.

2.1 Stock Option and Incentive Compensation Plans

Guideline

These plans should be designed to reward good performance of executives. They should also encourage management to own stock so as to align their financial interests with those of the shareholders. It is important that these plans are disclosed to the shareholders in detail for their approval.

Voting Policy

We will not support plans with options priced below current market value or the lowering of the exercise price on any previously granted options.

We will not support a plan amendment that is not capped at a maximum of 10 % dilution.

Additionally we review the amount of options distributed annually with 20% of the total available being considered reasonable.

We will support plan proposals where the options vest over a specified period of time or vest upon the achievement of measurable results.

We are generally opposed to large (25% or more) option grants to any one individual, but each case is reviewed.

We believe that shareholders should have a say in all aspects of option plans and therefore will not support omnibus stock option plans or plans where the Board is given discretion to set the terms.

It is recommended that the aggregate dilution from all stock based compensation plans not exceed 10% of fully diluted shares.

2.2 Compensation Plans

Guideline

It is our view that executive compensation plans should be designed to reward good results without being excessive.

Voting Policy

We will support those compensation plans that we consider to be fair. Generally we will not support proposals such that the aggregate dilution from all stock based compensation plans exceeds 10% of fully diluted shares.

2.3 Golden Parachutes

Guideline

We believe that “golden parachutes” are good way to attract, retain and encourage objectivity of qualified executives by providing financial security in the case of a change in the structure or control of a company. That said, golden parachutes can be excessive.

Voting Policy

We will review golden parachutes on a case-by case basis and will support those that we view as reasonable and that are also clearly disclosed to shareholders.

2.4 Corporate Loans

Guideline

Corporate loans, or the guaranteeing of loans, to enable employees to purchase company stock or options should be avoided. These types of loans can be risky if the company stock declines or the employee is terminated.

Voting Policy

We will not support corporate loans or the guaranteeing of loans, to enable employees to purchase company stock or options. We may make an exception for employees of financial institutions.

3. Shareholders

Shareholders should take an active role in exercising their rights to positively influence and protect the affairs of a corporation in which they invest. This can be done by directly communicating with the management and directors of a company and/or by exercising proxy voting rights.

3.1 Confidential Voting by Shareholders

Guideline

Like any other electoral system, the voting at annual and special meetings should be confidential and free from any potential coercion and/or impropriety.

Voting Policy

We will support any proposals to introduce or maintain confidential voting.

3.2 Takeover Protection – Shareholder Rights Plans

Guideline

Some companies adopt shareholder rights plans that incorporate anti-takeover measures, which may include:

- Poison Pills
- Crown jewel defense
- Payment of greenmail
- Going private transactions
- Leveraged buyouts
- Lock-up arrangements
- Fair price amendments

Re-incorporation

Rights plans should be designed to ensure that all shareholders are treated equally in the event there is a change in control of a company. These plans should also provide the Board with sufficient time to ensure that the appropriate course of action is chosen to ensure shareholder interests have been protected. However, many shareholder rights plans can be used to prevent bids that might in fact be in the shareholders best interests. Depending on their contents, these plans may also adversely influence current share prices and long-term shareholder value.

Voting Policy

We will review each situation on a case-by-case basis. We will generally support proposals that protect the rights and share value of shareholders. We prefer plans to take effect when control of 20% or more of voting shares is acquired. We support plans that require shareholder approval at least every three years.

3.3 Dual Class Shares

Guideline

It is not unusual for certain classes of shares to have more than one vote per share. This is referred to as a dual class share structure and can result in a minority of shareholders having the ability to make decisions that may not be in the best interests of the majority of shareholders.

Voting Policy

We will vote against the creation of share classes that have unequal or multiple-voting rights.

3.4 Supermajority Approval

Guideline

A two-thirds majority (67 percent) vote requirement is fairly common and any requirement above that level can, from a practical point of view, be difficult to obtain. A very high requirement can be unwieldy and therefore not in the best interest of the majority of shareholders.

Voting Policy

We will generally not support proposals for voting requirements that are greater than two-thirds. That said, we will review supermajority proposals on a case-by-case basis.

3.5 Linked Proposals

Guideline

Linked Proposals combine separate issues into one for the purposes of a proxy vote. Linked Proposals are often used to obtain passage of certain proposals that might not be approved if separately presented.

Voting Policy

We are against the submission of Linked Proposals and will look at each component of a Linked Proposal separately.

3.6 Unlimited Share Issues/Increase in Authorized Shares

Guideline

Corporations may increase their authorized number of shares in order to implement a stock split, to support an acquisition or restructuring plan, to use in a stock option plan or to implement an anti-takeover plan. Shareholders should approve of the specific business need for the increase in the number of shares and should understand that the issuance of new shares can have a significant effect on the value of existing shares.

Voting Policy

We will generally oppose proposals to increase the number of authorized shares to “unlimited”, but will consider any proposals to increase the number of authorized shares on a case-by-case basis.

3.7 Shareholder Proposals

Guideline

Shareholders should have the opportunity to raise their concerns or issues to company management, the board and other shareholders. As long as these proposals deal with appropriate issues and are not for the purposes of airing personal grievances or to obtain publicity, they should be included on the proxy ballot for consideration.

Voting Policy

Shareholder proposals will be reviewed on a case-by-case basis.

3.8 Disclosure of Voting Results

Guideline

Proxy voting results at annual and special meetings should be timely and include at a minimum the votes for, against and withheld.

Voting Policy

We will support proposals to disclose the results of proxy voting on a timely basis.

3.9 Blank-cheque Preferred Shares

Guideline

The authorization of blank-cheque preferred shares gives the board of directors' complete discretion to fix voting, dividend, conversion and other rights and privileges. Once these shares have been authorized, the shareholders have no authority to determine how or when they will be allocated. There may be valid business reasons for the issuance of these shares but the potential for abuse outweighs the benefits.

Voting Policy

We will generally oppose the authorization of blank-cheque preferred shares.

4.0 Other Business

Guideline

We feel that allowing Boards to include “other business” as a proposal on a proxy ballot gives them far too much leeway to obtain shareholder approval for proposals that the shareholders have not had an opportunity to review and consider.

Voting Policy

We will generally not support “other business” proposals.

Shareblocking

Some countries outside North America require that shares of companies which are voted cannot be traded for a period of time surrounding the meeting date. Should we wish to maintain our ability to trade the stock, we would often not vote, particularly if the issues were not contentious. For some cases, where the issue is contentious, we may register our vote, but only if we were willing to give up trading capabilities for the specified period.

Investment Managers Since 1947

www.mcleanbudden.com

Toronto

145 King Street West
25th Floor
Toronto, ON M5H 1J8
Tel +1 416 862 9800
Fax +1 416 862 0167

Montréal

1250 René-Lévesque Blvd. W.
Suite 3010
Montréal, QC H3B 4W8
Tel +1 514 933 0033
Fax +1 514 933 8163

Vancouver

595 Burrard Street
Three Bentall Centre
Suite 3043, P.O. Box 49105
Vancouver, BC V7X 1G4
Tel +1 604 623 3430
Fax +1 604 623 3436

Chicago

4026 N. Bell Avenue
Chicago, IL 60618
Tel +1 773 866 9210
Fax +1 773 866 9211