

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

1.0 ESG Philosophy

Manulife Asset Management (Manulife AM) provides comprehensive asset management solutions for clients across a wide range of asset classes and investment objectives, all sharing the common aim of generating attractive risk-adjusted returns for clients in accordance with individual client requirements. This policy describes how Manulife AM exercises its rights and responsibilities in relation to the environmental, social and governance (ESG) factors associated with its investments.

Manulife AM believes that ESG factors can contribute to the risk of an investment and good management of ESG risks can lead to long-term sustainable returns. Consequently, as we aim to achieve attractive risk-adjusted returns, Manulife AM's research processes seek to ensure robust screening and transparency of ESG risks by integrating the evaluation of ESG factors throughout the due-diligence and decision-making processes.

Manulife AM is a signatory to the UN Principles for Responsible Investment (PRI), and believes the approach to responsible investment set out in this policy aligns well with these Principles. In addition, Manulife AM's approach to meeting the core principles of the UK Stewardship Code and the Japan Stewardship Code are outlined in Appendices 2 and 3, respectively.

Manulife AM's approach to ESG issues across asset classes is outlined in the following sections.

2.0 Manulife AM

Manulife AM's investment capabilities in public markets (equity, fixed income and asset allocation products) span traditional and non-traditional market sectors across our global offices in North America, Europe and Asia. Manulife AM has a boutique style investment team structure, and empowers each team to make decisions in line with its investment philosophy and clients' objectives. Each of these teams has responsibility for its own investment process from research through to implementation, whilst benefiting from the global resources of the firm. Manulife AM's approach to integrating ESG research into its investment processes aligns with its organizational structure. The principles by which Manulife AM exercises the rights and responsibilities associated with equity ownership on behalf of its clients are described in Appendix 1.

2.1 *Equity and Fixed Income*

Manulife AM provides all equity and fixed income investment teams with access to specialized ESG research, governance and proxy analysis. The Global Chief Investment Officer (CIO) oversees all teams and considers ESG exposure along with other risks in that oversight. In addition, the Investment Risk and Quantitative Analytics team independently monitors ESG factors on a portfolio level to help both portfolio managers and the CIO identify potential ESG exposure.

Manulife AM believes that well-managed companies will create long-term shareholder value, and, therefore, it is important for a company to have quality management with appropriate supervision through balanced controls. Good governance practices mean that the company:

- has a strong and effective board;
- honors appropriate ownership and shareholder rights;
- implements effective remuneration structures in line with long-term performance;
- delivers high-quality and meaningful reporting to its shareholders and other stakeholders; and,
- manages the environmental and social aspects of its business.

Manulife AM's processes seek to ensure robust screening and transparency of ESG risks. This approach does not preclude it from investing in companies with ESG-related risk exposure, but it seeks to engage with such companies in order to understand their ESG risk profiles and, through constructive engagement, to improve these risk profiles over time. In addition, Manulife AM is committed to helping implement client-specific requirements relating to ESG factors and will observe specific investment exclusions if requested by the client.

2.2 Asset Allocation

The Portfolio Solutions Group (PSG) is responsible for selecting and monitoring fund managers for asset allocation funds. In the manager selection process, PSG assesses the fund manager's approach to incorporating ESG factors into investment decisions as part of its qualitative review of managers.

2.3 Engagement

Investment teams often meet company management as part of their fundamental research process. The meetings provide analysts and portfolio managers with insights into management quality, business drivers, and the strategies of the companies in which they invest. In addition, these meetings allow investment teams to assess companies' risk exposure to ESG factors and the companies' management of that exposure to protect shareholder value. Where appropriate, the specialist ESG analyst also participates in meetings with companies alongside the analysts and portfolio managers from the team.

Manulife AM also views engagement as a tool to enhance the long-term shareholder value of the companies in which its clients are invested. Where relevant, Manulife AM may engage to enact positive change in a company's disclosure, management strength, and performance in relation to ESG risk factors. Manulife AM is willing to engage collectively with other investors, provided those actions are not prohibited by law or regulation and there are significant benefits that will protect the interests of its clients' investment.

2.4 Implementation of Client-specific Requirements

Manulife AM will create portfolios, mandates, and segregated accounts with specific values-based or compliance-driven screening criteria based on client requests.

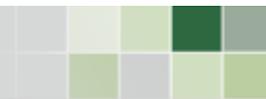
2.5 Voting

Manulife AM has a fiduciary duty to exercise voting rights responsibly. The right to vote is a basic component of share ownership and is an important control mechanism to ensure that a company is managed in the best interests of its shareholders.

Manulife AM has adopted a global Proxy Voting Policy. The policy and related procedures seek to ensure that proxies are voted in the best interests of its clients and that proxy voting activities adhere to the requirements of all applicable rules and general fiduciary principles. The Proxy Voting Policy is not intended to cover every possible situation that may arise in the course of business, but rather to act as a decision-making guide. It is therefore subject to change and interpretation from time to time as facts and circumstances dictate.

When Manulife AM is granted and accepts responsibility for voting proxies for client accounts, it will seek to ensure proxies are received and voted in the best interest of the individual client with a view toward enhancing the value of the equity securities held in the client's account. Manulife AM has contracted with an independent third-party service provider who provides analysis and recommendations for all proxy votes.

For companies in which Manulife AM has a material holding (above 3% of issued share capital), typically the voting is overseen by the investment teams who own the security in question, who will vote in line with the principles set out in Appendix 1 and in accordance with the firm's Proxy Voting Policy. Where Manulife AM is overseeing a comparatively small holding, normally proxy votes will be cast in line with the third-party service provider's recommendation.



Manulife AM may refrain from voting a proxy due to logistical considerations that may have a detrimental effect on its ability to vote such a proxy for example, where underlying securities have been lent out pursuant to a client's securities lending program, in cases where there is insufficient information to make a voting decision, or where market practices make it expensive to vote compared with the benefits of doing so.

Manulife AM seeks to ensure that proxy votes are cast in each client's best interests and, if there is any potential conflict of interest, its procedures provide for such proxy to be voted primarily in accordance with the third party service-provider's recommendations, or to abstain or to request the Client vote the proxy.

Manulife AM's Proxy Operations Group is responsible for administering and implementing the Proxy Voting Policy, including the proper oversight of its service provider and any other service providers who assist in the proxy voting process. Proxy Operations is responsible for implementing and updating the applicable domestic and global proxy voting guidelines, coordinating and overseeing the proxy voting process as performed by its service providers, and providing periodic reports to Manulife AM's Brokerage Practices Committee, Operating Committee, the Chief Compliance Officer, and its advisory clients as deemed appropriate.

Voting activities are considered confidential and are reported to clients as requested, or as required by law.

3.0 Manulife AM Private Markets

Manulife AM Private Markets invests in a range of private asset classes managed by and for Manulife Financial Corporation's general fund and external clients. Manulife AM's ESG policy covers the following private asset classes: real estate, timber and agriculture.

3.1 Real Estate Investments

Manulife Real Estate is a developer, owner, and manager of real estate assets.

Manulife Real Estate is committed to developing real estate assets with environmental performance in mind, reflecting its long-term approach to investing. Manulife Real Estate processes consider environmental risks in the acquisition of new properties. Manulife Real Estate manages the environmental performance of its real estate

operations through the use of a proprietary, web-based utility consumption reporting (UCR) system. The UCR system tracks its energy and water use, as well as building waste collection and diversion rates.

Manulife Financial Corporation's Environmental Policy also applies to its real estate operations.

3.2 Timber and Agriculture

Manulife AM Private Markets' timber and agriculture are managed by Hancock Natural Resource Group, Inc., ("HNRG") a separate, indirect, wholly owned subsidiary of Manulife Financial Corporation, and are subject to Manulife Financial Corporation's Environmental Policy. HNRG is committed to identifying and monitoring ESG-related risks across its business units — Hancock Timber Resource Group and Hancock Agricultural Investment Group — through a combination of internal policies and procedures and third-party auditing.

HNRG manages its timber investments on a long-term sustainable basis while actively engaging in conservation transactions to protect sensitive lands through direct sale or conservation easements. HNRG seeks independent, third-party certification of its timber assets to standards, such as the Sustainable Forestry Initiative®, Forest Stewardship Council®, and the Australian Forestry Standard. All of HNRG's timber assets are certified under one or more of these accredited standards.

HNRG manages its agriculture investments in a manner that integrates the development, management, and operation of agricultural lands for useful products with a commitment to conserve soil, air, and water quality; biological diversity; wildlife and aquatic habitats; and participation in vibrant, healthy communities. HNRG uses practical metrics so that sustainability performance of its agriculture investments can be tracked, improved, and reported.

HNRG is responsible for overseeing the social and environmental policies and systems of its respective business units.

4.0 Reporting

As a PRI signatory, Manulife AM will report annually on its activities and progress on implementing the PRI's principles in accordance with the PRI reporting framework.

In compliance with the UK Stewardship Code and the Japan Stewardship Code as relevant, Manulife AM will report on how it fulfills its stewardship responsibilities to clients and the public. This includes disclosure on its voting policy and principles. In addition, upon request by clients, Manulife AM provides reports on the exposure of investments to ESG factors, based on research by a third-party vendor.

5.1 Policy Oversight and Review

Manulife AM's ESG policy applies to Manulife Asset Management wholly owned entities and their businesses as described herein. The policy will be managed by Manulife AM's Operating Committee and reviewed on an annual basis. The policy is approved by a policy sponsor, the Global CIO, on advice from the Head of Investment Risk Management.

APPENDIX 1 – CORPORATE GOVERNANCE PRINCIPLES FOR PUBLICLY HELD EQUITY OWNERSHIP

This appendix illustrates how Manulife AM exercises the rights and responsibilities associated with publicly held equity ownership on behalf of its clients. It exercises these rights with a focus on maximizing shareholder returns, as well as enhancing and improving the operating strength of the companies to create sustainable value for shareholders. Manulife AM believes that creating sustainable shareholder value must include consideration of environmental, social, and governance issues.

Manulife AM invests in a wide range of stocks across the globe, ranging from large multinationals to smaller early stage companies, and from well-developed markets to emerging and frontier markets. Its expectations of those companies vary accordingly, reflecting the different standards of governance it would expect based on prevailing local standards and the size of the company.

Broadly, Manulife AM believes that successful companies in the long term will have:

- a strong and effective board;
- good internal controls;
- effective remuneration structures in line with long-term performance;
- high-quality and meaningful reporting to its shareholders and other stakeholders; and,
- good management of the environmental and social aspects of its business.

If Manulife AM oversees a material ownership position in an investment, which it defines as at least 3% ownership across its clients, typically portfolio managers review voting options and decide how to vote based upon the detailed principles below. For smaller investments, Manulife AM believes the best interests of its clients are served by using a third-party provider to determine those votes. Manulife AM periodically reviews the detailed policies created by that provider to ensure it is largely consistent with its principles. Generally, Manulife AM would expect to vote in favor of management's recommendations, reflecting the support for management that typically accompanies a positive decision to invest in a company. However, Manulife AM will vote against management's recommendations if they violate these principles, and it will, where appropriate, engage with management to explain its position.

Manulife AM generally votes when entitled to do so, except when voting is either costly or has implications Manulife AM believes would be detrimental to its clients, such as a temporary inability to trade. In these cases, Manulife AM balances these considerations against the benefits of voting.

Principles

1. Companies should be run in the interests of their shareholders. However, this necessarily entails fair treatment of all stakeholders, including employees, suppliers, customers, and society at large, to create long-term sustainable value.
2. No single approach to governance will work for every company; for example, a business in an early stage of development may justifiably have a different board and controls structure than a more developed business. Understanding how a company is managed aids Manulife AM in making pragmatic and effective decisions.
3. In certain circumstances, it may be appropriate for Manulife AM's clients to sell an investment rather than retain it in order to vote on a particular issue, depending on Manulife AM's assessment of the potential risks of maintaining the investment.
4. Company boards should act as effective leaders of the business and control the management of the firm. In order to provide effective leadership, boards should demonstrate that they recognize the benefits of diversity and include sufficient independent directors to provide a range of perspectives on the business.

5. Management incentives should be aligned with those of shareholders and should have a considerable long-term element.
6. Succession planning should be in place as part of the ongoing management and evaluation of the performance of the firm.
7. There should be effective controls and balances within the firm, including within the board and management structures.
8. Every member of the board should stand for re-election by shareholders no less frequently than every three years.
9. Boards should have audit and risk committees that are generally composed of independent directors.
10. Management should assess and manage the risks to the business, including environmental, social, and governance risks.
11. There should be transparent communication with and accountability to shareholders.
12. Material transactions with related parties should only be entered into following an independent review process that demonstrates that the transaction is in the company's best interests.
13. Manulife AM will generally not support actions that reduce shareholder rights or damage their interests, including those designed to defend against takeovers. This includes the issuance of special classes of shares, the abrogation of pre-emption rights, and the creation of voting rights that are not in parity with economic ownership.
14. Auditors should be independent of the company; in particular, auditors should not be retained for significant non-auditing work.
15. Share buybacks, share issuance, and acquisitions will be assessed with a principal focus on ensuring they accrue long-term value to shareholders.

APPENDIX 2 – United Kingdom Stewardship Code

Manulife Asset Management (Europe) Limited (Manulife AM Europe) has committed to the UK Stewardship Code.

Manulife AM Europe's approach to each of the principles of the UK Stewardship Code is described below.

Manulife AM Europe believes in a transparent approach to stewardship.

We are active owners in the companies in which we invest. Stewardship is fundamental to our investment process as we believe that good stewardship is essential to the long term sustainability of companies and provides a standard of behaviour to protect and enhance the value of our clients' investments.

Our Environmental, Social and Governance (ESG) Policy (<http://www.manulifeam.com/uk/About-Us/Responsible-Investment-at-Manulife-Asset-Management/>) sets out our approach to ownership and the governance of companies in which we invest. This statement develops that global policy, detailing our compliance with the UK Stewardship Code.

Manulife AM Europe fully supports the UK Stewardship Code and complies with all its principles. Stewardship and our business are global. We seek to apply the UK Stewardship principles globally, taking into account local practice and law, including the emergence of Stewardship Codes in other jurisdictions in which we invest.

From a global perspective Manulife Asset Management operates a number of specialist functional areas dedicated to ensuring good Stewardship and ESG practices across the organisation, these include:

- Global Code of Ethics Team
- Global ESG Team
- Global Responsible Investment Governance Group
- Proxy Voting Operations Team

As well as providing an essential global perspective, each team provides support to local stewardship efforts and helps to manage any potential global conflicts. Further detail on how these functions assist Manulife AM Europe in fulfilling its stewardship responsibilities are set out within this statement.

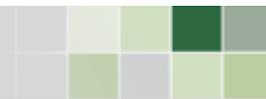
Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

At Manulife AM Europe the investment process goes beyond financial statement analysis. It includes, but is not limited to, meeting company management, voting proxies in the best interest of our clients as shareholders, and generally engaging the company, when necessary, to enhance the long-term value of our clients' investments.

This document describes our philosophy on stewardship as it relates to the UK Stewardship Code. At a global level Manulife Asset Management adheres to its Environmental, Social and Governance Policy (ESG). Both documents, along with more information about responsible investment, are available on the Manulife AM Europe website a [Responsible Investment at Manulife Asset Management](#).

We consider our stewardship responsibilities in respect of the UK Stewardship Code to be a global endeavour applied broadly across our equity investment processes when relevant and appropriate.

Manulife AM Europe investment professionals continuously monitor their investee companies as part of their day to day responsibilities. This monitoring activity can include dialogue with senior management of the investee company, review of public disclosures and direct communication to investee Boards of Directors.



As part of the investment process the Manulife AM Europe investment teams conduct detailed research into each of their potential investee companies. A significant part of this process will be an assessment of their Corporate Governance Standards. Manulife AM Europe believes that well-managed companies will create long-term shareholder value, and will look for the following attributes:

- A strong and effective board
- When we meet the investee company we feel they are trustworthy
- The maintenance shareholder rights and an appropriate ownership structure
- Effective remuneration structures in line with long-term performance
- Delivery of high-quality and meaningful reporting to its shareholders and other stakeholders
- Awareness and management of the environmental and social aspects of its business

Engagement provides Manulife AM Europe with the opportunity to build robust relationships with investee companies and is complementary to both investment research and proxy voting because it enables Manulife AM Europe to address specific concerns in a confidential manner. The overarching objective is to reduce the environmental, social and governance risk of entities over time. Our interaction is designed to avoid a potential reputational risk and negative issues that could alter valuation, fundamental standing, or the strategy of the companies in which we invest.

Manulife AM Europe utilises the services of a third party voting provider to assist us in the voting of proxies. Monitoring of the proxy voting provider is part of the Manulife AM Europe Compliance Monitoring Programme and includes checking the accuracy of the information provided by the provider, confirming the votes were cast correctly as directed by Manulife AM Europe and generally ensuring the provider meets the required expectations.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.

Manulife Asset Management has an established infrastructure designed to identify conflicts and risks throughout all aspects of the operations of the company, establishing infrastructure and processes to manage those conflicts and risks. The infrastructure consists of an organisational structure in the form of oversight committees, as well as policies and procedures that are designed to support the investment management services that the company provides to its clients.

Manulife Asset Management believes that a conflict situation can arise when there is a matter which may impair a person's independence, objectivity or interfere with his or her duties to his or her employer, clients, and prospects. Portfolio managers and all employees will avoid any situation in which personal interests conflict with duties at Manulife Asset Management.

To prevent conflicts of interest, Manulife Asset Management believes it is important that its directors, officers, portfolio managers and employees have a primary duty to avoid any situation which may be deemed to be a conflict of interest or has the appearance of being a conflict of interest. They must take responsibility in maintaining the required standard of conduct and if there is any uncertainty with regard to whether conflicts of interest exist, they are obliged to seek direction from the Compliance department. All employees must follow all laws and regulations, and must take care not to engage in trading practices which could be construed as unethical or manipulative in their personal accounts or for the portfolios they manage. Employees of Manulife Asset Management must maintain high ethical standards in their conduct both personally and professionally. To help prevent conflicts or the appearance of conflicts, all employees of Manulife Asset Management must confirm that they have complied with Manulife Financial Corporation's Code of Business Conduct and Ethics ("Code"). The Code provides standards for ethical behaviour when representing the company and when dealing with customers, investors, employees, competitors, government authorities, and the public. Manulife Asset Management has a dedicated team that administers and monitors adherence to the Code of Ethics.

Policies regarding outside business interests, political contributions and gifts and entertainment are designed to prevent situations that may give rise to an actual conflict or the appearance of a conflict with our clients' interests, or have the potential to cause damage to Manulife Asset Management or its affiliates' reputation.

With respect to outside business affiliations, the company's Code of Ethics requires that all outside business affiliations of employees (e.g., directorships, officerships or trusteeships) of any kind, or membership of investment organizations (e.g. an investment club) must be approved to ensure that such affiliations do not present a conflict with our clients' interests.

All employees are required to comply with Manulife AM Europe's written policies regarding conflicts of interest that may arise between the interests of its clients and the interests of Manulife AM Europe, its affiliates, or employees.

Corporate Governance specialists at Manulife Asset Management are responsible for monitoring and identifying potential conflicts of interest that could arise when voting in company meetings. In addition, stewardship is an important component of the investment decision process at Manulife Asset Management and as part of this process conflicts of interest are always considered.

Examples of conflicts of interest include (but are not limited to):

- Manulife AM Europe has a client relationship or potential client relationship with the issuer of a security
- Manulife AM Europe has a business relationship with the proponent of a proxy proposal
- Manulife AM Europe, employees, or consultants have a personal or other business relationship with the participants in a proxy contest, such as corporate directors or director candidates
- There is a conflict between one client and another
- Manulife Asset Management shares are held on behalf of clients
- Manulife Asset Management employees have personal holdings in the companies owned by its clients

Manulife AM Europe has an established process for the management of conflicts including ensuring separation of duties between employees making investment decisions and potentially conflicted parties, particularly those with sales responsibilities or other business relationships with a company. The Conflicts of Interest Register is maintained and reviewed on an ongoing basis by our Compliance department and is available to relevant employees. All employees have access to the Conflicts of Interest Policy and receive periodic training in this area.

Conflicts are specifically identified when voting decisions need to be made and our record keeping is thorough with regards to conflict of interest situations. The monitoring of conflicts forms part of the Compliance Monitoring Programme. In the event of a material conflict of interest in connection with a voting decision, Manulife AM Europe or its designee will either:

- Vote such proxy according to the specific recommendation of the designated proxy voting service
- Abstain
- Request that the client vote such proxy.

More detail on Conflicts of Interest can be found in the [Conflicts of Interest Policy](#).

Principle 3: Institutional investors should monitor their investee companies.

As fundamental, long-term investors, Manulife AM Europe recognises that monitoring investee companies is at the heart of its investment management philosophy and process. Because Environmental, Social and Governance (ESG) factors contribute to the risk of an investment, Manulife AM Europe's investment teams evaluate ESG factors as part of their investment decision-making process. The exact integration of ESG factors into the investment process varies depending on the investment team. Investment teams, including research analysts and portfolio managers, conduct bottom-up, fundamental research that includes company-specific, sector, and industry analysis to identify investment opportunities. Once a position is established in a company, ongoing monitoring and analysis is conducted to ensure that the original investment thesis holds true. This analysis includes, but is not limited to, financial models, valuation analysis, and meetings with company management.

Our ongoing monitoring of our investee companies can include the following:

- Monitoring of public disclosures
- Evidence of the fair treatment of shareholders
- Meetings with management, other executive staff and the non-executive directors if appropriate
- We respond to company requests for input and comment, and will also share concerns proactively and clearly with the company (directly rather than through a corporate adviser)
- Analysis and monitoring of governance, strategy, capital structure, operating performance, risk management, financial models and valuations
- A comparison of the governance of different investee companies to the governance of their peers or competitors

We keep comprehensive records of our ongoing interactions with our investee companies.

As part of these monitoring processes Manulife AM Europe would address any shortcomings that we identify with regards to corporate governance responsibilities, with particular focus on the UK Corporate Governance Code. The Risk Management Department (including the ESG team) would be engaged when such issues arise.

Should our monitoring identify any issues not in accordance with our responsible investing priorities, or actions by a company that are not in the best interest of our clients, we would engage with the company to ensure they understand the position of Manulife AM Europe and seek resolution. Where we cannot resolve an issue we would divest.

We do not seek inside information and we actively ask companies and their advisors not to put us in possession of such information. However, we may be asked by a company or their advisors for our involvement in a corporate transaction which may lead to the dissemination of non-public information. We would only accept this role when we believe it is consistent with being a responsible investor and it would be in the best interests of our clients. Due to the regulatory risks and implications we do not want to be made an insider without our authorisation beforehand and we will evaluate each situation on a case by case basis. Investment Compliance would be the point of contact in this event and the trading of this particular security by Manulife AM Europe would be restricted. We would expect to agree to become insiders for a temporary period only.

In addition to the UK Stewardship Code, Manulife Asset Management is a signatory to the Japanese Stewardship Code and the Principles of Responsible Investment. We reflect the principles of the UK Stewardship Code and the other codes in policy creation, such as our Environmental, Social and Corporate Governance Policy, and corporate decisions pertaining to our responsible investment practices including investee monitoring.

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

Investment teams meet company management as part of their fundamental research process. The meetings provide analysts and portfolio managers with insights into management quality, business drivers, and the strategies of the companies in which they invest or potentially invest. In addition, these meetings allow investment teams to assess companies' risk exposure to Stewardship and ESG factors and the companies' management of that exposure to protect shareholder value. Where appropriate, a specialist ESG analyst also participates in meetings with companies alongside the analysts and portfolio managers.

Manulife AM Europe also views engagement as a tool to enhance the long-term shareholder value of the companies in which its clients are invested. When appropriate, investment teams will engage investee companies to express our views to senior management and board members. In general we engage confidentially as we believe this is the most constructive and effective approach.

Drivers of Engagement

The following key issues are examples of (but not limited to) Stewardship and ESG risks that drive our engagement activities:

RESPONSIBLE INVESTMENT					
Environmental		Social		Governance	
Biodiversity Concerns	Carbon / GHG Emissions	Supply Chain Management	Human Rights	Remuneration	Minority Shareholder Rights
Waste Management	Water Stress and Usage	Product Quality and Safety	Human Capital and Development	Broad Structure	Corporate Sustainability Oversight

Escalation of Stewardship Issues

Escalation of stewardship issues is made on a case by case basis. An example of our escalation process is shown below:

- As part of our on-going monitoring activities we would seek to intervene and resolve issues with our investee companies as soon as possible
- We would seek involvement of senior equity investment employees at Manulife AM Europe in the process. In addition, Manulife AM Europe may involve additional resources such as Legal and Compliance
- Manulife AM Europe will escalate issues should we believe an investee company is being unresponsive to matters which we raised in previous engagement discussions
- We would begin a period of focused engagement with the Chairman or other non-executive directors of the investee company
- We would consider issuing a formal letter to the Board passed through the Company Secretary to ensure our specific concern has been presented to the entire Board of Directors
- As in any situation, to protect our clients' best interests, the investment team reserves the right to sell the security any time

Should we plan to vote against a company's proposal we will ensure management is made aware of our concerns and our voting intention prior to casting our vote.

There are also occasions where, as part of the escalation process, we will make our views and concerns known publicly, as a matter of record. This may be through attendance at a company's general meeting, or in the context of a requisitioned resolution or general meeting. In exceptional circumstances, where we decide that it is necessary and appropriate, we may comment publicly about a controversial situation at a company. This would generally be in a situation where engagement has proven ineffective in addressing concerns or on high profile, event driven controversies.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

Manulife AM Europe is willing to act collectively with other investors when it is determined that action is necessary in order to protect the interests of the client's investment and we believe it will enhance our engagements efforts, but only insofar as those actions are not prohibited by law or regulation.



We look to maintain good working relationships with other companies practicing responsible investment. When determining whether to participate in a collaborative engagement, we would consider such factors as the materiality of the issue of concern, our internal stance on the issue, our position size, the need for confidentiality, compatibility of investor viewpoints and probability of a successful outcome. We recognise that there may be occasions where it is more effective to work with other institutional shareholders to implement change and respond in a coordinated way to both general developments and specific issues.

Manulife AM Europe actively participates in multiple investor groups in various geographies and utilises these groups to participate in collective engagement opportunities. These groups include:

- Investment Association (UK)
- Principles for Responsible Investment (Global)
- Dow Jones Sustainability Index (Global)
- Carbon Disclosure Project (Global)
- United Nations Environment Program Finance Initiative (Global)

We never abdicate our stewardship responsibilities to any other party in any collaborative engagement. We will speak for ourselves and never allow others to convey our views.

The key issues identified in Principle 4 'Drivers of Engagement' are examples that also apply to collective engagement activity provided our interests align with the collaborate engagement partners.

For all questions with regards to stewardship of investee companies please contact stewardship@manulife.com

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

Manulife AM Europe has adopted a global Proxy Voting Policy. The Policy and related procedures seek to ensure that proxies are voted in the best interests of its clients and that proxy voting activities adhere to the requirements of all applicable rules and general fiduciary principles. The Proxy Voting Policy is not intended to cover every possible situation that may arise in the course of business, but rather to act as a decision-making guide. It is therefore subject to change and interpretation from time to time as facts and circumstances dictate.

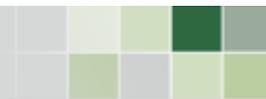
When Manulife AM Europe is granted and accepts responsibility for voting proxies for client accounts, we will attempt to vote on all portfolios on a timely basis. We will ensure proxies are received and voted in the best interest of the individual client with the aim of enhancing the value of the equity securities held in the client's account.

Manulife AM Europe has contracted with an independent third-party service provider who provides analysis and recommendations for all proxy votes in line with our corporate governance principles. Manulife AM Europe follows its principles of good corporate governance practices with local market maturities in mind.

For companies in which Manulife AM Europe has a material holding (above 3% of issued share capital), typically the voting is overseen by the investment teams who own the security in question. The team will complete a full detailed assessment of the proxy items, by evaluating the company's performance, our current engagement efforts with the company, our service provider's recommendation together with our corporate governance principles as set out in our ESG Policy and in accordance with the company's Proxy Voting Policy. Where Manulife AM Europe is overseeing a comparatively small holding, proxy votes will generally be cast in line with the third-party service provider's recommendation provided it is aligned with our corporate governance principles.

Manulife AM Europe may refrain from voting a proxy due to logistical considerations that may have a detrimental effect on its ability to vote such a proxy. Examples could include where underlying securities have been lent out pursuant to a client's securities lending program, in cases where there is insufficient information to make a voting decision, or where market practices make it expensive to vote compared with the benefits of doing so.

In the event of a potential conflict of interest, our procedures provide for such a proxy to be voted in accordance with the third party service-provider's recommendations, to abstain, or to request that the client votes the proxy.



We will vote against or abstain on resolutions which we do not believe uphold good standards of corporate governance or are not in our clients' long-term interests. We believe it is important to inform boards of the reasons for not supporting management resolutions.

When there is a vote against management recommended by our third party advisor, our investment teams will review the reasons for this and will, if deemed appropriate, vote against the third party advisor's recommendation.

The Proxy Operations Department is responsible for implementing and updating the applicable domestic and global proxy voting guidelines, coordinating and overseeing the proxy voting process as performed by its service providers, and providing periodic reports to Manulife Asset Management's Brokerage Practices Committee, Operating Committee, the Chief Compliance Officer, and its advisory clients as deemed appropriate.

Voting activities are considered confidential and are reported to clients as requested, or as required by law. A summary of the most recent 6 months voting activity is available at Manulife Asset Management Europe Limited [Proxy Voting Summary](#).

Manulife AM (Europe) Limited does not engage directly in stock lending.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

Manulife AM Europe is transparent on all matters of stewardship and, where appropriate and permissible, will endeavour to make its stewardship and voting activities available to our clients.

Manulife AM Europe intends to review its stewardship and voting activities annually, as suggested by the UK Stewardship Code, and will update its statement of commitment accordingly if there are any material changes to the Proxy Voting Policy or any other relevant process. Specific individual client voting activities are considered confidential and are reported to clients as requested, or as required by law.

Manulife AM Europe keeps detailed records of interactions with investee companies. These records include stewardship and voting activities. The Compliance Department monitors this area to ensure detailed records are kept in line with policy and regulation.

We are responsive and accountable to our clients regarding our stewardship activities. Internally, we have a Responsible Investment Governance Group whose charge is to oversee our stewardship activities and identify areas to improve the effectiveness of our efforts.

Manulife AM Europe seeks internal independent assurance with regards to our stewardship and voting activities through internal audit, which is completed on a three year cycle. Manulife AM Europe does not currently seek independent external assurance with regards to stewardship activities.

Manulife Asset Management is committed to responsible investment and strives to be responsive to incoming queries regarding our stewardship activities. When queries are received our response will begin by identifying our signatory status to the UK Stewardship Code and articulating its significance in guiding our responsible investment practice. In addition, we will also acknowledge our signatory status the Principles of Responsible Investment and Japanese Stewardship Code. Furthermore within our response, we will articulate to the inquirer the key ESG issues that we focus upon and describe our engagement activities. We will explain how we are proponents of both direct and collaborative engagement efforts evidenced by our involvement in various Investor Groups. Finally, we will explain how our responsible investment practice is a continuous process to integrate ESG into the investment process.

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This document is for Institutional Investors only.

Manulife Asset Management (Europe) Limited is authorised and regulated by the Financial Conduct Authority

APPENDIX 3 – Japan Stewardship Code

Manulife AM has established a structure that seeks to ensure conformance with fiduciary principles by identifying conflicts and risks throughout all operations of the organization and by building appropriate infrastructure and processes to manage conflicts and risks. Manulife AM's approach to each of the principles of the Japan Stewardship Code is set out below.

Manulife Asset Management (Japan) Limited is a signatory to the Japan Stewardship Code.

Principle 1: Institutional investors should have a clear policy on how they will fulfill their stewardship responsibilities, and publicly disclose it.

In determining appropriate investment opportunities, the primary philosophy of each of Manulife AM's equity investment teams are fundamentally driven, bottom-up active management. At Manulife AM, a fundamental investment process goes beyond financial statement analysis. This includes, but is not limited to, meeting company management, voting proxies in the best interest of its clients as shareholders, and generally engaging the company, when necessary, to enhance the long-term value of its client's investments.

As part of our Environmental, Social and Governance ("ESG") Policy, this document describes our philosophy on stewardship as it relates to the Japanese Stewardship Code, both of which are available on the global website of manulifeam.com.

The following policies are also available upon request:

- Global Proxy Voting Policy
- Manulife Financial Corporation Environmental Policy

Principle 2: Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities, and publicly disclose it.

Portfolio managers are required to comply with Manulife AM's written policies regarding potential conflicts of interest that may arise between the interests of its clients and the interest of Manulife AM, its affiliates, and/or employees. Pursuant to this policy, Manulife AM deems the following events as potential material conflicts of interest:

1. Manulife AM has a business relationship or potential relationship with the issuer of a security;
2. Manulife AM has a business relationship with the proponent of a proxy proposal; or
3. Manulife AM members, employees, or consultants have a personal or other business relationship with the participants in a proxy contest, such as corporate directors or director candidates.

Manulife AM's goal in addressing any such potential conflict is to ensure proxy votes are cast in the clients' best interests and are not affected by Manulife AM's potential conflict. As described in our global Proxy Voting Policy, in the event of a material conflict of interest, Manulife AM or its designee will either (i) vote such proxy according to the specific recommendation of the designated proxy voting service; (ii) abstain; or (iii) request that the client vote such proxy.

Principle 3: Institutional investors should monitor their investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation toward the sustainable growth of the companies.

As fundamental, long-term investors, Manulife AM recognizes that monitoring investee companies is at the heart of its investment management philosophy and process. Because ESG factors contribute to the risk of an investment, Manulife AM's investment teams evaluate ESG factors as part of their investment decision-making process. The exact integration of ESG factors into the investment process varies depending on the investment team. Investment teams, including research analysts and portfolio managers, conduct bottom-up, fundamental research that includes company-specific, sector, and industry analysis to identify investment opportunities. Once a position is established in a company, ongoing monitoring and analysis is conducted to ensure that the original investment thesis holds true. This analysis includes, but is not limited to, financial models, valuation analysis, and meetings with company management.

Principle 4: Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

Investment teams often meet company management as part of their fundamental research process. The meetings provide analysts and portfolio managers with insights into management quality, business drivers, and the strategies of the companies in which they invest. In addition, these meetings allow investment teams to assess companies' risk exposure to ESG factors and the companies' management of that exposure to protect shareholder value. Where appropriate, the specialist ESG analyst also participates in meetings with companies alongside the analysts and portfolio managers from the team.

Manulife AM does not have a specific policy covering the possible situations in which we engage with investee companies as each is considered on a case-by-case basis, however our investment teams do view engagement as a tool to enhance the long-term shareholder value of the companies in which its clients are invested. When appropriate, investment teams will engage investee companies to express views with senior management and board members. Methods employed may include proxy voting, direct communication with investee company management, and, if necessary, escalating concerns to the investee company's board of directors. Finally, investment teams may choose to sell a security if that action is deemed to be in the best interest of the client.

Principle 5: Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

Manulife AM has adopted a global Proxy Voting Policy. The policy and related procedures seek to ensure that proxies are voted in the best interests of its clients and that proxy voting activities adhere to the requirements of all applicable rules and general fiduciary principles. The Proxy Voting Policy is not intended to cover every possible situation that may arise in the course of business, but rather to act as a decision-making guide. It is therefore subject to change and interpretation from time to time as facts and circumstances dictate.

When Manulife AM is granted and accepts responsibility for voting proxies for client accounts, it will seek to ensure proxies are received and voted in the best interest of the individual client with a view toward enhancing the value of the equity securities held in the client's account. Manulife AM has contracted with an independent third-party service provider who provides analysis and recommendations for all proxy votes.

For companies in which Manulife AM has a material holding (above 3% of issued share capital), typically the voting is overseen by the investment teams who own the security in question, who will vote in line with the corporate governance principles set out in our ESG Policy and in accordance with the firm's Proxy Voting Policy. Where Manulife AM is overseeing a comparatively small holding, normally proxy votes will be cast in line with the third-party service provider's recommendation.



Manulife AM may refrain from voting a proxy due to logistical considerations that may have a detrimental effect on its ability to vote such a proxy for example, where underlying securities have been lent out pursuant to a client's securities lending program, in cases where there is insufficient information to make a voting decision, or where market practices make it expensive to vote compared with the benefits of doing so.

Manulife AM seeks to ensure that proxy votes are cast in each client's best interests and, if there is any potential conflict of interest, its procedures provide for such proxy to be voted primarily in accordance with the third party service-provider's recommendations, or to abstain or to request the Client vote the proxy.

Manulife AM's Proxy Operations Group is responsible for administering and implementing the Proxy Voting Policy, including the proper oversight of its service provider and any other service providers who assist in the proxy voting process. Proxy Operations is responsible for implementing and updating the applicable domestic and global proxy voting guidelines, coordinating and overseeing the proxy voting process as performed by its service providers, and providing periodic reports to Manulife AM's Brokerage Practices Committee, Operating Committee, the Chief Compliance Officer, and its advisory clients as deemed appropriate.

Voting activities are considered confidential and are reported to clients as requested, or as required by law.

Principle 6: Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

Manulife AM intends to review its stewardship and voting activities annually, as suggested by the Code, and will update it accordingly if there are any material changes to the Proxy Voting Policy or any other relevant process. Voting activities are considered confidential and are reported to clients as requested, or as required by law.

Principle 7: To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge of the investee companies and their business environment and skills and resources needed to appropriately engage with the companies and make proper judgments in fulfilling their stewardship activities.

At Manulife AM, a fundamental investment process goes beyond financial statement analysis. Manulife AM has implemented an Environmental, Social and Governance Policy which describes our approach to integration of environmental, social and governance ("ESG") issues across our investment processes. Manulife AM provides all equity and fixed income investment teams with access to specialized ESG research, governance and proxy analysis to enhance their knowledge of the investee companies and their business environment. In seeking to ensure robust screening and transparency of ESG risks, the investment teams are able to better understand the issues to appropriately engage with investee companies, when considered necessary, and to enhance the long-term value of its clients investments.

APPENDIX 4 – UN Principles for Responsible Investment

Manulife AM has established a structure that seeks to ensure conformance with fiduciary principles by identifying conflicts and risks throughout all operations of the organization and by building appropriate infrastructure and processes to manage conflicts and risks.

This appendix addresses how Manulife AM's equity fixed income and asset allocation holdings adhere to each of the principles of the UN Principles for Responsible Investment.

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

As described in section 2.0, Manulife AM incorporates evaluation of ESG risks into the investment process. Additionally Manulife AM is committed to addressing ESG issues in investment policy statements over time, in discussion with its clients, and supports the ongoing development of ESG-related tools and analysis. Manulife AM encourages its investment staff to undertake periodic training to understand developments in ESG-related areas.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Manulife AM's engagement policy is outlined in section 2.3, and Manulife AM's voting policy is outlined in section 2.5.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Manulife AM's engagement policy is outlined in section 2.3.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

As outlined in section 2.2, Manulife AM considers external fund managers' approach to ESG risk management and may raise ESG issues during initial and ongoing due-diligence meetings, and participates in industry forums to promote acceptance and implementation of PRI

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Manulife AM views the participation in industry events on ESG issues as extremely important and will seek to learn from developments in the wider industry and from the latest research.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

As described in section 4.0, Manulife AM will report annually on our progress in implementing the Principles. Manulife AM is also committed to the ongoing development of those Principles, and participating in forums to discuss and develop those Principles.

Investing involves risks, including the loss of principal. Financial markets are volatile and can fluctuate significantly in response to company, industry, political, regulatory, market, or economic developments. These risks are magnified for investments made in emerging markets. Currency risk is the risk that fluctuations in exchange rates may adversely affect the value of a portfolio investments.

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Manulife Asset Management

Manulife Asset Management is the global asset management arm of Manulife Financial Corporation (“Manulife”). Manulife Asset Management and its affiliates provide comprehensive asset management solutions for institutional investors and investment funds in key markets around the world. This investment expertise extends across a broad range of public and private asset classes, as well as asset allocation solutions.

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