Manulife Asset Management

Statement of Commitment to 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

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 should have a clear policy on voting and disclosure of voting activity.

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.