

Manulife Asset Management Engagement Policy

Background

Manulife Asset Management ("Manulife AM") is the institutional asset management arm of Manulife Financial Corporation ("Manulife"). Manulife AM provides comprehensive asset management solutions for clients across the globe and 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 conducts engagement with companies throughout the course of its investment activities, in fulfilment of its role as an active shareholder that acts on behalf of clients. Manulife AM is a signatory to the UN Principles for Responsible Investment (PRI), the UK Stewardship Code and the Japan Stewardship Code, and believes the approach to engagements set out in this policy aligns well with these commitments.

Manulife AM believes that environmental, social and governance (ESG) factors can contribute to the risk of an investment and strong management of ESG risks can lead to long-term sustainable returns. Consequently, 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's fundamental investment process goes beyond financial statement analysis, and may include engagement with companies as part of the pre- and post-investment stewardship of assets to enhance the long-term value of clients' investments. Engaging with portfolio companies on environmental, social and corporate governance (ESG) risks and opportunities is one means by which Manulife AM fulfills its responsibilities as an active shareholder on behalf of its clients, alongside proxy voting activities.

Purpose of Engagement

Engagement provides Manulife AM the opportunity to create an open dialogue with companies in which Manulife AM invests ("portfolio companies") to deepen our understanding of the ESG issues that underpin a company's strategy or valuation, and provide the opportunity for companies to better understand our investment process and objectives. We believe investors play a critical role in influencing companies to adopt sustainable business practices that promote stable long-term growth and reduce material ESG risks faced by entities over time. We look to support management teams who adopt strong governance structures and have a clear strategic vision to create and protect shareholder value. Our interaction is designed to mitigate reputational risk and negative issues that could alter the valuation, fundamental standing, or strategy of the companies in which we invest.

Manulife AM also views engagement as a tool to enhance the long-term shareholder value of the companies in which its clients are invested. For example, Manulife AM may engage to enact positive change in a company's disclosure, management strength, and performance in relation to ESG risk factors.

¹ This policy can be read in conjunction with Manulife AM's Environmental, Social and Governance Policy available at www.manulifeam.com

Types of Engagement

As a manager with diversified asset classes we engage as both an equity and debt investor.

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 a company's risk exposure to ESG factors and the company's management of that exposure to protect shareholder value. Specialist ESG analysts also initiate and lead meetings with companies specifically focused on ESG engagement, which is leveraged by investment teams in their investment process.

Manulife AM may engage in both independent activities and engagement activities with other shareholders ("collaborative engagement"), depending on the approach that is deemed to be in the best interests of our clients, the target company's relevant circumstances, and our engagement objectives. Our approach is constructive, with the belief that over time we will build a relationship of trust and gain a sound understanding of how management of key ESG issues supports a company's business strategy. We will engage collaboratively with other investors when we believe it will be more effective in achieving the desired outcome for our clients, provided those actions are not prohibited by law or regulation.

Prioritizing Engagement Targets

Manulife AM prioritizes engaging with companies where our assessment suggests that ESG risks are potentially material to an investment's risk/reward profile, taking into account the significance of an investment within a given portfolio, Manulife AM's degree of influence, and the expected contribution to long-term value creation from a successful engagement.

Manulife AM engages with companies on a range of substantive ESG matters. The below is a non-exhaustive list of issues which may be the focus of a particular engagement, and should be read in conjunction with the Corporate Governance Principles for Publicly Held Equity Ownership in Appendix 1 of Manulife AM's ESG Policy:

- Board structure, diversity, and oversight
- Executive Compensation: structure, performance metrics, and oversight
- Minority shareholder protection and rights
- Capital management, dividend payouts, and dilution
- Corporate actions (e.g. M&A) and corporate strategy
- Climate change, pollution, natural resources utilization, and other environmental management issues
- Health and safety, labor relations, and other social issues
- Human rights, respect for the community and other stakeholder expectations
- Significant controversies
- Quality of disclosure and transparency
- Issues identified or raised in client requests to Manulife AM

Manulife AM may occasionally engage with regulators where we believe it is appropriate, and in the best interests of our clients.

Conflicts of Interest

Manulife AM has a duty to act in the best interest of our clients at all times. We recognize that conflicts of interest may arise in our engagement activities and we seek to identify, disclose and mitigate potential conflicts in accordance with our fiduciary responsibilities.

We have identified the following potential conflicts of interest related to our engagement activities:

- Potential engagement with a company which is the sponsor of one of our institutional clients, or where the company otherwise has a commercial relationship with either Manulife or another member of the Manulife group, and Manulife AM could be unduly influenced by the relationship;
- Manulife AM employees could have a material relationship with a company, which could affect engagement activities.
- Manulife AM has implemented procedures to prevent and mitigate identified potential conflicts including:
 - Each Manulife AM employee adheres to the Global Code of Ethics and General Principles of Business Conduct outlined therein to always put the interests of our clients first. Where a material conflict is identified between an employee and a company, the conflict should be disclosed to the employee's manager and legal/compliance as needed to determine if it is appropriate for such employee to engage with that company;
- Engagement strategies are determined in accordance with specific procedures including planning, conducting the interaction, monitoring and reporting. Where specific ESG engagements are initiated by Manulife AM, or where Manulife AM joins a collaborative ESG engagement, this process is led by the ESG team, which reports to the Head of Investment Risk Management who reports, independently from the investment teams, directly to the Chief Investment Officer;
- Engagement priorities and objectives are identified independently of our parent, Manulife, or any of its related entities.
- Engagement with a portfolio company will not be affected by any commercial relationship a company has with Manulife, or if it is a client of Manulife AM.

Material Non-public Information (Becoming an Insider)

It is not the purpose of the ESG engagement with a portfolio company to receive material nonpublic information. If engagement activities result in the receipt of material nonpublic information ("MNPI"), Manulife AM will act in accordance with the compliance policies and procedures relevant to MNPI.

Governance

Manulife AM's ESG integration team has direct responsibility for the implementation of this policy, with actions taken under the policy being regularly reported to Manulife AM's Responsible Investment Governance Group (RIGG), a group of senior representatives drawn from various functions within Manulife AM, which reports to the Operating Committee.

This policy is subject to periodic review by the RIGG.

Monitoring and Reporting

- The ESG team will document the ESG-related meetings including tracking of the discussion points, feedback and action items, if applicable.
- On an annual basis, Manulife AM will publicly report high-level summary data on its active ownership activities, in addition to the annual public reporting required as a signatory to the PRI. Also, upon request by a client, Manulife AM will provide more detailed information of the engagement activities undertaken in relation to holdings in the client's portfolio.