

Proxy Voting Policy

Introduction - This Policy provides a general guideline for the proxy voting and decision making process used by NexGen and its sub-advisors (NexGen).

As manager of the NexGen funds, NexGen has a duty to exercise proxy voting authority solely in the best interests of the fund investors. This duty includes the creation of a reliable administrative process to ensure timely receipt, passage, decision making and return of corporate action notifications, as well as the creation of proxy voting guidelines that detail the firm's policy on routine matters and provide a philosophy to form the basis of decision making for non routine or potentially contentious issues.

In deciding how to apply the guidelines, NexGen will give consideration to the circumstances of each vote as well as to the general principles contained in these guidelines. If it is not clear how to interpret or apply the guidelines for a particular vote decisions on how to proceed will be based on our estimation of what will serve the best long term interest of the fund investors. This may include deviating from these guidelines if it is judged that doing so is in the best long term interests of the investors.

The policy is broken into 5 sections:

- Board of Directors
- Compensation
- Shareholder Rights, and
- Disclosure
- Social, Environmental and Sustainability Issues

Board of Directors

While a company's management is responsible for the day-to-day running of a corporation, the Board of Directors, as the elected representatives of the shareholders (owners) of the corporation, is charged with overseeing management's performance. Along with assisting in the strategic direction of the company, the chief purpose of the Board of Directors is to ensure that the long term interests of the owners, which have less information and knowledge about the business than management, remain paramount and do not become secondary to the interests of management.

1. Board Composition

While inside directors can play a valuable role on a board, NexGen believes that independent, outside directors are needed to ensure the board maintains a clear focus on owner interests. With this in mind, NexGen has developed the following guidelines related to board composition. We believe;

- a) That a board should generally consist of 5 to 15 members. This allows for enough directors to have a diversity of experience without becoming overly cumbersome in size;
- b) A board should consist of a majority of qualified, unrelated directors;
- c) There should be a separation between the Chairman of the Board and CEO positions. When these roles are not separate we believe in the appointment of an independent lead director;
- d) The nomination, audit and compensation committees should consist solely of independent directors,
- e) Directors should be nominated individually and not as a slate; and
- f) Directors should be held accountable for their performance. We will not support the re-election of Directors with poor attendance records.

2. Compensation

Competitive compensation is an integral part of attracting and maintaining high quality employees, management and directors and high quality human capital is of ever increasing importance in a knowledge based economy. Regarding compensation NexGen believes;

- a) Directors, executives and employees should be competitively compensated and that compensation should address both short-term and long-term performance considerations;
- b) Compensation programs should be aligned with the interests of shareholders;
- c) Directors and executive management should own common shares; and
- d) Stock options should be expensed and generally does not support repricing, vesting when granted or overly dilutive stock option issuances.

3. Shareholder Rights

Minority shareholders are often at an informational disadvantage to management and majority shareholders, who are often one and the same. NexGen supports measures that work to decrease or minimize any disadvantage. Specifically, we believe;

- a) That all shareholders should be treated fairly and equally;

- b) There should be one class of shares for all investors and are not generally in favour of super voting, non voting or subordinate voting shares;
- c) Shareholders should be consulted on all issues of ownership dilution and control;
- d) All issues regarding take-over defense should be reviewed by a committee of independent directors and put up for a shareholders' vote. Any plans should serve the interests of shareholders not simply those of current management;
- e) That in the event of takeover or merger discussions the board should attempt to maximize value for existing shareholders and not submit to onerous conditions that would result in a lack of potential competing bids; and
- f) Any partial bids should be offered to all shareholders on a pro-rata basis.

4. Disclosure

Companies must weigh many issues including, legal, regulatory compliance, competitive, and personal privacy when deciding on what information to make public to shareholders. This has often made it difficult for owners to properly understand all of the pertinent issues surrounding a company. NexGen believes that information should be shared as timely and freely as possible;

- a) We believe in encouraging full and fair disclosure of all pertinent corporate information to the public and shareholders, particularly in the area of Director and Executive compensation, and employee option programs; and
- b) We encourage companies to make public their corporate governance, ethics and conduct policies.

5. Social, Environmental and Sustainability Issues

Companies have many 'stakeholders' beyond management and owners. Employees, customers, suppliers, and society at large can all be impacted by corporate policy and actions in both the short and longer terms. Increasingly, shareholders are being asked to vote on social, environmental and sustainability issues affecting the companies they own.

NexGen's primary duty is to vote all proxies in the best interests of its fund investors, that is, to maximize long term shareholder value. NexGen also believes that, ethical conduct, environmental responsibility and good global citizenry are traits that generally improve the long term value of a company. NexGen may differ from management in its opinion of what constitutes shareholder best interests when assessing the cost and potential benefits of matters pertaining to these issues.