PROXY VOTING POLICY

Global Alpha Capital Management Ltd.

December 2019

TABLE OF CONTENTS

INTRODUCTION

Global Alpha Capital Management (GACM) has a fiduciary duty to vote proxies in both a timely manner and in the best interest of clients. The central tenet of our proxy voting policy is that good corporate governance enhances long-term shareholder value. GACM utilizes the global proxy voting research and voting services of Institutional Shareholder Services (ISS) to help assess and vote proxies in accordance with its custom voting policy. Taking into account GACM's custom guidelines, ISS prepares voting recommendations for all proposals on which GACM is entitled to vote. GACM believes that for its proxy voting process to be successful some flexibility is required, and for that reason it uses guidelines rather than rules. The policy that follows is not meant to be exhaustive due to the variety of proxy voting issues GACM may be required to consider, and it may deviate from these guidelines to avoid voting decisions that it believes may be contrary to its clients' best interest.

While GACM takes its voting responsibilities very seriously and uses its best efforts to exercise these rights in all cases, there may be situations when it may be impractical or impossible for GACM to vote. Such circumstances include a limited number of international markets where share blocking applies or when securities are on loan to a third party. Due to the liquidity and administrative challenges, GACM will typically not vote in these situations. GACM may deviate from this approach if the situation warrants.

SHAREHOLDER RIGHTS

General Guidelines: GACM will generally vote in favour of proposals that improve corporate governance practices and give shareholders a greater voice in the affairs of the company, and conversely, it will oppose measures that seek to limit those rights. GACM believes that shareholders with a meaningful ownership position in a company should have the right to call a special meeting and will generally vote against proposals restricting this right. Regarding proxy access, GACM will generally support giving shareholders the right to nominate directors, provided that the nominations reflect a reasonable level of stock ownership and the nominees are well-qualified and prepared to act in the interests of all shareholders. Additionally, GACM will generally oppose advance notice bylaws that impose unreasonable conditions on shareholders who wish to nominate directors to the board. GACM will generally vote against proposals that give management the authority to adjourn or extend a meeting unless compelling reasons are provided. GACM will review proxy contests on a case-by-case basis, taking into consideration the long-term company performance, background to the contested election, nominee qualifications and other relevant factors.

Voting Standard: GACM believes that shareholders should have the right to vote in proportion to their ownership and therefore supports the principal of one-share, one-vote. Accordingly, GACM will generally vote against the authorization or issuance of shares that do not have full and equal voting rights, against proposals that support or perpetuate dual share class structures and for proposals to eliminate dual share class structures. GACM prefers that companies adopt majority voting for individual directors in uncontested elections. GACM will generally oppose supermajority voting requirements if they are in an attempt to diminish the rights of minority shareholders.

Anti-Takeover Measures: GACM believes that measures which impede takeovers or entrench management not only infringe on the rights of shareholders but may also have a detrimental effect on the value of the company. Accordingly, GACM will analyze such proposals on a case-by-case basis. GACM will generally oppose proposals that entrench management or excessively dilute shareholder ownership, regardless of whether they are advanced by management or shareholders. Conversely, GACM will generally support proposals that restrict or otherwise eliminate anti-takeover measures that have already been adopted by corporate issuers.

BOARD OF DIRECTORS

General Guidelines: GACM believes that directors have a duty to shareholders and it may withhold votes for directors that fail to act on key issues.

Staggered Boards: GACM opposes staggered boards as it believes that they can entrench existing management and unduly deter takeovers. Therefore, GACM will generally vote for proposals to declassify the board of directors.

Independence: GACM believes in the importance of an independent board of directors and considers a board to be sufficiently independent when greater than fifty percent of directors are independent. In Japan, this threshold is lowered to one-third, which GACM believes to be sufficient at present. However, this will be revisited as corporate governance reform progresses in the Japanese market. If the proposed board does not meet GACM's independence criteria, it will generally vote against all non-independent candidates with the exception of the CEO, as this position is by nature non-independent and in most situations voting against a CEO could be unnecessarily disruptive. GACM supports insiders as board members as it feels they provide valuable knowledge and insight into the company; however, it believes that insider representation should largely reflect the level of ownership or control. Therefore, GACM may refrain from voting against certain non-independent candidates or vote against insiders if the number of insiders serving on a board is excessive. Furthermore, GACM believes that key committees (Audit, Compensation, Nomination and Governance) should be purely independent and will typically vote against non-independent directors serving on these committees.

Separation of Chair and CEO Roles: GACM believes that the responsibilities of the CEO and board Chair are fundamentally different and should thus be filled by different individuals. Therefore, GACM will support proposals to separate the roles of CEO and Chair and will consider voting against the Chair of the Nomination Committee when these roles are combined and a lead independent director has not been established.

Gender Diversity: GACM believes that board diversity has positive, long-term implications for a company's performance and therefore will generally vote against the Chair of the Nomination Committee if a board lacks female representation.

Attendance: GACM will typically vote against directors who have attended less than 75% of the board meetings held within a given year without a valid reason for these absences.

Tenure: GACM opposes age and term limits for individual directors and prefers to see board renewal occur through an annual evaluation process that assesses the effectiveness of the board as a whole, its committees and individual directors. If the average tenure of the board exceeds 10 years, GACM may vote against the longest-serving member of the board, other than the CEO.

Overboarding: GACM will generally vote against directors who are overboarded. GACM considers a director overboarded if he/she: (i) sits on more than a total of three public company boards; or (ii) is a CEO and sits on more than a total of two public company boards.

CORPORATE STRUCTURE

General Guidelines: Changes in a company's charter, articles of incorporation or by-laws are often technical and administrative in nature. Absent a compelling reason to the contrary, GACM will most often vote in accordance with the company's management on such proposals. However, GACM will review and analyze, on a case-by-case basis, any non-routine proposals that are likely to affect the structure and operation of the company or that could have a material economic effect on the company.

Mergers & Acquisitions: GACM will review proposed merger and acquisition transactions on a case-by-case basis, considering them based on their strategic rationale, valuation, long-term interest and impact on shareholders rights.

Share Issuance: GACM opposes increases in authorized common stock where there is evidence that the shares will be used to implement a poison pill or other anti-takeover devices or if the issuance of new shares could excessively dilute the value of the outstanding shares.

Buybacks: GACM will consider share buyback proposals on a case-by-case basis, taking into account the impact on long-term shareholder value, the level of disclosure, whether there is evidence that the buyback is being carried out to reward company insiders or other relevant factors.

EXECUTIVE REMUNERATION

General Guidelines: GACM believes that robust executive remuneration guidelines are vital to the functioning of public companies and are a key expression of good corporate governance. While GACM is mindful of the complexity of this subject and the varying practices across markets, industries and capitalizations, the following principles guide its voting on matters of executive remuneration. GACM will consider factors such as company performance, pay-for-performance alignment and level of disclosure when voting on proposals related to compensation. Additionally, GACM will consider metrics such as CEO base pay, overall CEO compensation, the multiple of annual CEO remuneration to the median remuneration of all other employee, the multiple of annual CEO remuneration to the median of all other senior executives, dilution and the annual burn rate. Should GACM have concerns regarding any of these metrics, it may vote against an advisory vote on executive compensation and may also consider voting against the Chair and members of the Compensation Committee.

DIRECTOR REMUNERATION

General Guidelines: GACM believes that that pay for non-executive directors should be structured in such a way that ensures independence, objectivity and alignment with shareholders' interests. Non-executive directors should not receive performance-based pay, such as performance stock units (PSUs) or stock options, as this can encourage excessive risk-taking and impair objectivity. Instead, GACM prefers non-executive directors to receive compensation in the form or cash or, alternatively, restricted stock units (RSUs) or deferred stock units (DSUs) that have the same economic interest as shares and therefore directly aligns the interests of directors with those of shareholders.

For further information, please refer to our Remuneration Guidelines.

AUDIT FUNCTION

General Guidelines: GACM believes that the company remains in the best position to select an auditor and will generally support management's recommendation. However, GACM recognizes that inherent conflicts of interest could arise when a company's auditor provides substantial non-audit services for the company. Therefore, GACM may vote against the appointment of an auditor if the fees for non-audit services are disproportionate to the total audit fees paid by the company or if there are other reasons to question the independence of the company's auditors.

RESPONSIBLE INVESTMENT

General Guidelines: As an investment manager and investor on behalf of its clients, GACM aims to influence investee companies to mitigate and effectively manage environmental and social risks. Environmental issues include, but are not limited to, biodiversity loss, greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, natural resource depletion, waste management, stratospheric ozone depletion, land use, ocean acidification and changes to the nitrogen and phosphorus cycles. Social issues include, but are not limited to, human rights, labour standards, child and forced labour, workplace health and safety, freedoms of association and expression, human capital management, diversity, community relations, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection and controversial weapons.

As a signatory of the UN-backed Principles for Responsible Investment, GACM takes into account environmental and social implications in our proxy voting. Specific proposals related to environmental and social issues will be reviewed and analyzed on a case-by-case basis. However, GACM will generally vote in favour of shareholder proposals that seek to improve disclosure of environmental risks, particularly GHG emissions, and will also generally vote in favour of shareholder proposals to improve transparency regarding social issues provided it is in the best interest of shareholders.

For further information please refer to our Responsible Investment Policy.