



Proxy Voting Guidelines

1. **Boards of Directors** – Arrow Capital Management Inc. (“Arrow”) supports resolutions that promote the effectiveness of boards in acting in the best interests of shareholders. It generally votes in favor of the election of directors for boards having a majority of independent directors and an independent chair, where the chairs of all board committees and at least a majority of committee members are independent.

2. **Auditors and Auditor Compensation** - Where all members of an issuer's audit committee are independent, Arrow will generally support the election of directors, the appointment of auditors and the approval of the recommended auditor compensation.

3. **Management Compensation** - The goal of Arrow is to support compensation arrangements that are tied to long-term corporate performance and shareholder value. These arrangements should induce management to purchase and hold equity in the company to better align management's interests with those of shareholders. Stock option plans that are overly generous or excessively dilutive to other shareholders will not be supported.

4. **Changes in Capitalization** – Arrow recognizes the need for management of an issuer to have flexibility in the issue or buyback of shares to meet changing financial conditions. Changes in capitalization will generally be supported where a reasonable need for the change is demonstrated, however changes resulting in excessive dilution of existing shareholder value will not be supported.

5. **Take Over Protection** - Arrow believes that measures that 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. Arrow will generally oppose proposals, regardless of whether they are advanced by management or shareholders, whereby the purpose or effect of which is to entrench management or dilute shareholder ownership. Conversely, Arrow will generally support proposals that would restrict or otherwise eliminate anti-takeover measures that have already been adopted by corporate issuers. Shareholder rights plans are reviewed on a case-by-case basis.

6. In the case of funds sub-advised by external advisors, Arrow has delegated the investment management responsibility and the related obligation to exercise a fund's voting rights to the portfolio sub-advisor of the fund. The external advisors have each established proxy voting policies and procedures for the funds sub- advised by them. Each fund's proxy voting policy provides that the fund's voting rights will be exercised in accordance with the best interests of the fund. Each sub-advisor's proxy voting policies and procedures guide the sub-advisor in determining whether and how to vote on any matter for which the subadvised fund receives proxy materials. Arrow reviews the proxy voting policies of the sub-advised funds on an annual basis. Other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on value to the Funds.

Special or non-routine matters are brought to the attention of the Arrow portfolio manager(s) for the applicable Fund, and, after assessment, the portfolio manager(s) will direct that such matters be voted in a way that he or she believes will better protect or enhance the value of the investment for the Fund.

Examples of special or non-routine business are: stock-based compensation plans, executive severance compensation arrangements, shareholders rights plans, corporate restructuring plans, going private transactions in connection with leveraged buyouts, lock-up arrangements, crown jewel defenses, supermajority approval proposals, and stakeholder or shareholder proposals.

We take our responsibility to exercise our votes very seriously and use our best efforts to exercise this right in all cases. However, in some circumstances it may be impractical or impossible for us to vote. Such circumstances include when we have loaned securities to a third party and are unable to recall the securities in sufficient time to vote. As well in international markets where share blocking applies we typically will not vote due to liquidity constraints.

The proxy voting record for each fund for the most recent 12-month period ended June 30 of each year, will be available free of charge to any unitholder of the fund upon request at any time after August 31 of that year. The proxy voting record for each fund will also be available from the [Arrow Capital's website](#).