

MSCI CANADA IMI WOMEN'S LEADERSHIP SELECT INDEX METHODOLOGY

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1 INTRODUCTION

The MSCI Canada IMI Women's Leadership Select Index (the "Index") aims to represent the performance of those companies that exhibit a commitment towards gender diversity among their board of directors ("Board") and among the executive leadership positions. The index aims to include companies which are leaders in Canada in terms of female representation in Board and in executive leadership positions. The Index is constructed as a sector neutral index so that each GICS^{®1} Sector weight in the Index is equal to its weight in the underlying MSCI Canada Investable Market Index (IMI) (the "Parent Index"). Within each sector group, constituents of the Index are weighted as per their free float adjusted market capitalization.

Please refer to Appendix I for the pro-forma list of constituents at initial construction.

¹ GICS, the global industry classification standard developed by MSC Inc. and S&P Global.

2 MSCI ESG RESEARCH

The Index uses research provided by MSCI ESG Research. In particular, this index uses the following MSCI ESG Research products: MSCI ESG Ratings and MSCI ESG Controversies.

For details on MSCI ESG Research's full suite of ESG products, please refer to:

http://www.msci.com/products/esg/about_msci_esg_research.html

2.1 MSCI ESG RATINGS

MSCI ESG Ratings provides research, analysis and ratings of how well companies manage environmental, social and governance risks and opportunities.

For more details on MSCI ESG Ratings, please refer to

<https://www.msci.com/esg-ratings>

2.2 MSCI ESG CONTROVERSIES

MSCI ESG Controversies (formerly known as MSCI Impact Monitor) provides assessments of controversies concerning the negative environmental, social, and/or governance impact of company operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy.

For more details on MSCI ESG Controversies Score, please refer to:

<https://www.msci.com/esg-integration>

3 INDEX CONSTRUCTION

3.1 PARENT INDEX

Index construction starts with the MSCI Canada IMI (the "Parent Index"). The Index then selects stocks from the Parent index based on security selection criteria as listed in section 3.2.

3.2 SECURITY SELECTION

The Index includes all companies from the Parent Index which satisfy following three conditions

1. Number of Women in Leadership Position²

- At least 30% female directors OR
- At least 3 female directors OR
- 2 female directors AND at least one woman in a current executive leadership role. Executive leadership positions are defined as
 - CEO
 - Co-CEO
 - CFO

2. Percent of Women on Board²

The percentage of female directors on the company's Board is greater than the average percentage of female directors on the Board of all companies in the Parent Index.

Companies for which MSCI does not publish gender data of board members are not included in the calculation of average of the percent of women directors on Board.

3. Discrimination And Workforce Diversity Controversy

Companies must not have faced very severe or severe structural controversies, or severe on going diversity-related controversies (Labor Rights – Discrimination and Workforce Diversity Controversy score is greater than 2).

² Board membership and gender data for executive leadership positions are reported by MSCI ESG Research

3.3 SECURITY WEIGHTING

Securities are weighted in two steps -

1. Sector weights in the Index are set equal to the sector weight in the Parent Index.
2. Constituents within each sector are weighted as per their free float adjusted market capitalization so that the aggregate sector weight is equal to the sector weight set in step 1.

4 MAINTENANCE OF THE INDEX

4.1 QUARTERLY INDEX REVIEWS

The Index is rebalanced on a quarterly basis to coincide with the regular Index Reviews (Semi-Annual Index Reviews in May and November and Quarterly Index Reviews in February and August) of the MSCI Global Investable Market Indexes. The changes are implemented at the end of February, May, August and November. The pro forma indexes are in general announced nine business days before the effective date.

Gender data of directors on the Board and leaders for the Quarterly Index Reviews will be taken as of the end of the month preceding the Index Review, i.e., January, April, July and October.

4.2 ONGOING EVENT-RELATED CHANGES

The general treatment of corporate events in the MSCI Canada IMI Women's Leadership Select Index aims to minimize turnover outside of Index Reviews. The methodology aims to appropriately represent an investor's participation in an event based on relevant deal terms and pre-event weighting of the index constituents that are involved.

The following section briefly describes the treatment of common corporate events within the MSCI Canada IMI Women's Leadership Select Index.

No new securities will be added (except where noted below) to the Index between Index Reviews. For cases where additions are noted below, securities will be added to the index only if added to the parent index. Parent Index deletions will be reflected simultaneously.

EVENT TYPE

EVENT DETAILS

New additions to the Parent Index

A new security added to the parent index (such as IPO and other early inclusions) will not be added to the index.

Spin-Offs

All securities created as a result of the spin-off of an existing Index constituent will be added to the Index at the time of event implementation. Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

Merger/Acquisition

For Mergers and Acquisitions, the acquirer's post event weight will account for the proportionate amount of shares involved in deal consideration, while cash proceeds will be invested across the Index.

If an existing Index constituent is acquired by a non-Index constituent, the existing constituent will be deleted from the Index and the acquiring non-constituent will not be added to the Index.

Changes in Security Characteristics

A security will continue to be an Index constituent if there are changes in characteristics (country, sector, size segment, etc.) Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

Further detail and illustration regarding specific treatment of corporate events relevant to this Index can be found in the MSCI Corporate Events Methodology book.

The MSCI Corporate Events methodology book is available at:
<https://www.msci.com/index-methodology>

APPENDIX I: PRO-FORMA LIST OF CONSTITUENTS AT INITIAL CONSTRUCTION

The pro-forma constituents as of 1st March 2018 are:

AGF MANAGEMENT B	INTACT FINANCIAL
AGNICO EAGLE MINES	JEAN COUTU GROUP A
ALGONQUIN POWER & UTL	JUST ENERGY GROUP
ALIMENTATION COUCHE B	KEYERA
ALTUS GROUP	KINROSS GOLD CORP
ATCO I	KNIGHT THERAPEUTICS
BANK MONTREAL	LAURENTIAN BANK
BANK NOVA SCOTIA	LOBLAW
BCE INC	MAGNA INTERNATIONAL
BOMBARDIER B	MANULIFE FINANCIAL CORP
BORALEX A	MAPLE LEAF FOODS
BROOKFIELD ASSET MAN A	METHANEX CORP
CAE	METRO A
CANADIAN IMPERIAL BANK	MORNEAU SHEPELL
CANADIAN NATL RAILWAY	NATIONAL BANK OF CANADA
CANADIAN UTILITIES A	NORTH WEST COMPANY
CANADIAN WESTERN BANK	NORTHLAND POWER
CAPITAL POWER	NUTRIEN
CASCADES	OPEN TEXT CORP
CCL INDUSTRIES B	OSISKO GOLD ROYALTIES
CHORUS AVIATION	PEMBINA PIPELINE
CINEPLEX	QUEBECOR B
COGECO COMMUNICATIONS	RIOCAN REIT
COMINAR REIT	RITCHIE BROS AUCTIONEER
CORUS ENTERTAINMENT B	ROGERS COMMUNICATIONS B
CP RAILWAY	ROYAL BANK OF CANADA
DIRTT ENVIRONMENTAL SOLN	RUSSEL METALS
DREAM INDUSTRIAL REIT	SAPUTO
DREAM OFFICE REIT	SHAW COMMUNICATIONS B
DREAM UNLIMITED A	SIENNA SENIOR LIVING

EMERA	SNC-LAVALIN GROUP
EMPIRE CO A	STANTEC
ENBRIDGE	STELLA-JONES
ENCANA CORP	STUDENT TRANSPORTATION
ENERCARE	SUN LIFE FINANCIAL
ENERPLUS	SUNCOR ENERGY
EQUITABLE GROUP	SUPERIOR PLUS
EXTENDICARE	TECK RESOURCES B
FINNING INTL	TELUS CORP VTG
FIRST CAPITAL REALTY INC	TMAC RESOURCES
FORTIS	TMX GROUP (NEW)
GILDAN ACTIVEWEAR	TORONTO-DOMINION BANK
GOLDCORP	TRANSALTA CORP
HOME CAPITAL GROUP	TRANSCANADA CORP
HUBBAY MINERALS	TRANSCONTINENTAL A
HYDRO ONE	VALENER
IGM FINANCIAL	WESTON (GEORGE)
IMPERIAL OIL	WSP GLOBAL
INDUSTRIAL ALLIANCE INS	YAMANA GOLD

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* = toll free

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