

2021 Proxy Voting Guidelines

Board of Directors Uncontested Election of Directors

Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Problematic Takeover Defenses:	Vote against/withhold from the entire board (except new nominees, who should be considered on a case-by-case basis) for the following:	Aligned with SRI
Classified Board Structure	The board is classified, and a continuing director responsible for a problematic governance issue at the board/committee level that would warrant an against/withhold recommendation is not up for election. All appropriate nominees (except new) may be held accountable.	Aligned with SRI
Removal of Shareholder Discretion on Classified Boards	The company has opted into, or failed to opt out of, state laws requiring a classified board structure.	
Director Performance Evaluation	The board lacks mechanisms to promote accountability and oversight, coupled with sustained poor performance relative to peers. Sustained poor performance is measured by one, three, and five year total shareholder returns in the bottom half of a company's four-digit GICS industry group (Russell 3000 companies only). Take into consideration the company's five-year total shareholder return and five-year operational metrics.	Aligned with SRI
Poison Pills	Vote against/withhold from all nominees (except new nominees who should be considered case-by-case) if: <ul style="list-style-type: none"> The company has a poison pill that was not approved by shareholders. However, vote case-by-case on nominees if the board adopts an initial pill with a term of one year or less, depending on the disclosed rationale for the adoption, and other factors as relevant (such as a commitment to put any renewal to a shareholder vote). The board makes a material adverse modification to an existing pill, including, but not limited, extension, renewal, or lowering the trigger, without shareholder approval. The pill, whether short-term or long-term, has a deadhand or slowhand feature. 	Aligned with SRI
Problematic Audit Related Practices	Vote against/withhold from Audit Committee members if: <ul style="list-style-type: none"> The non-audit fees paid to the auditor are excessive (defined as more than 50 percent of total audit fees); The company receives an adverse opinion on the company's financial statements from the auditor; There is pervasive evidence that the company entered into an inappropriate indemnification agreement with its auditor that limits the ability of the company, or its shareholders, to pursue legitimate legal recourse against the audit firm. Vote case-by-case on members of the Audit Committee and/or the full board if poor accounting practices are identified that rise to a level of serious concern, such as; fraud, misapplication of GAAP, and material weaknesses identified in Section 404 disclosures. 	Aligned with SRI
Problematic Compensation Practices	In the absence of an Advisory Vote on Executive Compensation ballot item, or, in egregious situations, vote against/withhold from the Compensation Committee and potentially the full board if: <ul style="list-style-type: none"> There is a significant misalignment between CEO pay and company performance. The company has problematic pay practices including options backdating, excessive perks and overly generous employment contracts etc. The board exhibits a significant level of poor communication and responsiveness to shareholders The company reprices underwater options for stock, cash, or other consideration The company fails to include a Say on Pay ballot item when required under SEC provisions, or under the company's declared frequency of say on pay; or The company fails to include a Frequency of Say on Pay ballot item when required under SEC provisions. <p>Generally vote against members of the board committee responsible for approving/setting non-employee director compensation if there is a pattern (i.e. two or more years) of awarding excessive non-employee director compensation without disclosing a compelling rationale or other mitigating factors.</p>	Aligned with SRI

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Problematic Pledging of Company Stock	<p>Vote against the members of the committee that oversees risks related to pledging, or the full board, where a significant level of pledged company stock by executives or directors raises concerns. The following factors will be considered:</p> <ul style="list-style-type: none"> • The presence of an anti-pledging policy, disclosed in the proxy statement, that prohibits future pledging activity; • The magnitude of aggregate pledged shares in terms of total common shares outstanding, market value, and trading volume; • Disclosure of progress or lack thereof in reducing the magnitude of aggregate pledged shares over time; • Disclosure in the proxy statement that shares subject to stock ownership and holding requirements do not include pledged company stock; and • Any other relevant factors. 	Aligned with SRI
Environmental, Social and Governance (ESG) Failures	<p>Under extraordinary circumstances, vote against/withhold from directors individually, committee members, or potentially the entire board due to:</p> <ul style="list-style-type: none"> • A lack of sustainability reporting in the company's public documents and/or website in conjunction with a failure to adequately manage or mitigate environmental, social and governance (ESG) risks. • Material failures of governance, stewardship, risk oversight, or fiduciary responsibilities at the company, including failure to adequately guard against or manage ESG risks. <p>The SRI and Sustainability Policies incorporate additional criteria to evaluate risk oversight. Specifically, the ISS the policies' approaches to proxy voting include employing the use of ESG risk indicators to identify moderate to severe ESG risk factors at public companies, and holding board members accountable for failure to sufficiently oversee, manage, or guard against material ESG risks, as defined by ISS Ethix.</p> <p>Failure to replace management as appropriate</p> <p>Egregious actions related to the director(s)' service on other boards that raise substantial doubt about his or her ability to effectively oversee management and serve the best interests of shareholders at any company</p>	Aligned with SRI
Unilateral Bylaw/Charter Amendments	<p>Generally vote against or withhold from directors individually, committee members, or the entire board (except new nominees, who should be considered case-by-case) if the board amends the company's bylaws or charter without shareholder approval in a manner that materially diminishes shareholders' rights or that could adversely impact shareholders, considering the following factors:</p> <ul style="list-style-type: none"> • The board's rationale for adopting the bylaw/charter amendment without shareholder ratification • Disclosure by the company of any significant engagement with shareholders regarding the amendment; • The level of impairment of shareholders' rights caused by the board's unilateral amendment to the bylaws/charter; • The board's track record with regard to unilateral board action on bylaw/charter amendments or other entrenchment provisions; • The company's ownership structure; • The company's existing governance provisions; • The timing of the board's amendment to the bylaws/charter in connection with a significant business development; and, • Other factors, as deemed appropriate, that may be relevant to determine the impact of the amendment on shareholders. <p>Unless the adverse amendment is reversed or submitted to a binding shareholder vote, in subsequent years vote case-by-case on director nominees. Generally vote against (except new nominees, who should be considered case-by-case) if the directors:</p> <ul style="list-style-type: none"> • Classified the board; • Adopted supermajority vote requirements to amend the bylaws or charter; or • Eliminated shareholders' ability to amend bylaws." 	Aligned with SRI

Board Accountability	Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
	Problematic Governance Structure - Newly Public Companies	<p>For newly public companies, generally vote against or withhold from directors individually, committee members, or the entire board (except new nominees, who should be considered case-by-case) if, prior to or in connection with the company's public offering, the company or its board adopted the following bylaw or charter provisions that are considered to be materially adverse to shareholder rights:</p> <ul style="list-style-type: none"> • Supermajority vote requirements to amend the bylaws or charter; • A classified board structure; or • Other egregious provisions. • A reasonable sunset provision will be considered a mitigating factor. <p>Unless the adverse provision is reversed or removed, vote case-by-case on director nominees in subsequent years.</p>	Aligned with SRI
	Problematic Capital Structure - Newly Public Companies	<p>For newly public companies, generally vote against or withhold from the entire board (except new nominees, who should be considered case-by-case) if, prior to or in connection with the company's public offering, the company or its board implemented a multi-class capital structure in which the classes have unequal voting rights without subjecting the multi-class capital structure to a reasonable time-based sunset. In assessing the reasonableness of a time-based sunset provision, consideration will be given to the company's lifespan, its post-IPO ownership structure and the board's disclosed rationale for the sunset period selected. No sunset period of more than seven years from the date of the IPO will be considered to be reasonable. Continue to vote against or withhold from incumbent directors in subsequent years, unless the problematic capital structure is reversed or removed.</p>	Aligned with SRI
	Management Proposals to Ratify Existing Charter or Bylaw Provisions	<p>Vote against/withhold from individual directors, members of the governance committee, or the full board, where boards ask shareholders to ratify existing charter or bylaw provisions considering the following factors:</p> <ul style="list-style-type: none"> • The presence of a shareholder proposal addressing the same issue on the same ballot; • The board's rationale for seeking ratification; • Disclosure of actions to be taken by the board should the ratification proposal fail; • Disclosure of shareholder engagement regarding the board's ratification request; • The level of impairment to shareholders' rights caused by the existing provision; • The history of management and shareholder proposals on the provision at the company's past meetings; • Whether the current provision was adopted in response to the shareholder proposal; • The company's ownership structure; and • Previous use of ratification proposals to exclude shareholder proposals. 	Aligned with SRI
	Restrictions on Shareholders' Rights	<p>Generally vote against or withhold from members of the governance committee if:</p> <ul style="list-style-type: none"> • The company's governing documents impose undue restrictions on shareholders' ability to amend the bylaws. Such restrictions include, but are not limited to: outright prohibition on the submission of binding shareholder proposals, or share ownership requirements, subject matter restrictions, or time holding requirements in excess of SEC Rule 14a-8. Vote against or withhold on an ongoing basis. • Submission of management proposals to approve or ratify requirements in excess of SEC Rule 14a-8 for the submission of binding bylaw amendments will generally be viewed as an insufficient restoration of shareholders' rights. Generally continue to vote against or withhold on an ongoing basis until shareholders are provided with an unfettered ability to amend the bylaws or a proposal providing for such unfettered right is submitted for shareholder approval. 	Aligned with SRI
			Vote against/withhold from the Board Chair if the company's ISS Carbon Risk Rating is 49 or below.



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Board Responsiveness	<p>Vote case-by-case on individual directors, committee members, or the entire board of directors as appropriate if:</p> <p>The board failed to act on a shareholder proposal that received the support of a majority of the shares cast in the previous year. Factors that will be considered are:</p> <p>The board failed to act on a shareholder proposal that received the support of a majority of the shares cast in the previous year or failed to act on a management proposal seeking to ratify an existing charter/bylaw provision that received opposition of a majority of the shares cast in the previous year. Factors that will be considered are:</p> <p>Disclosed outreach efforts by the board to shareholders in the wake of the vote;</p> <ul style="list-style-type: none"> • Rationale provided in the proxy statement for the level of implementation; • The subject matter of the proposal; • The level of support for and opposition to the resolution in past meetings; • Actions taken by the board in response to the majority vote and its engagement with shareholders; • The continuation of the underlying issue as a voting item on the ballot (as either shareholder or management proposals); and • Other factors as appropriate. <p>The board failed to act on takeover offers where the majority of shares are tendered;</p> <p>At the previous board election, any director received more than 50 percent withhold/against votes of the shares cast and the company has failed to address the issue(s) that caused the high withhold/against vote.</p> <p>Vote case-by-case on Compensation Committee members (or, in exceptional cases, the full board) and the Say on Pay proposal if:</p> <ul style="list-style-type: none"> • The company's previous say-on-pay received the support of less than 70 percent of votes cast. Factors that will be considered are: • The company's response, including: <p>Disclosure of engagement efforts with major institutional investors regarding the issues that contributed to the low level of support (including the timing and frequency of engagements and whether independent directors participated);</p> <ul style="list-style-type: none"> • Disclosure of the specific concerns voiced by dissenting shareholders that led to the say-on-pay opposition; • Disclosure of specific and meaningful actions taken to address shareholders' concerns; • Other recent compensation actions taken by the company; • Whether the issues raised are recurring or isolated; • The company's ownership structure; and • Whether the support level was less than 50 percent, which would warrant the highest degree of responsiveness. <p>The board implements an advisory vote on executive compensation on a less frequent basis than the frequency that received the plurality of votes cast.</p>	Aligned with SRI
Director Independence	<p>Vote against/withhold from the entire slate of directors if the full board is less than majority independent.</p> <p>Vote against or withhold from non-independent directors (Executive Directors and Non-Independent Non-Executive Directors) when:</p> <ul style="list-style-type: none"> • The non-independent director serves on the audit, compensation, or nominating committee; • The company lacks an audit, compensation, or nominating committee so that the full board functions as that committee; or • The company lacks a formal nominating committee, even if the board attests that the independent directors fulfill the functions of such a committee. 	Aligned with SRI



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Board Diversity	<p>Vote against/withhold from individual directors (except new nominees) who:</p> <ul style="list-style-type: none"> • Serve as members of the nominating committee and the board lacks: <ul style="list-style-type: none"> • At least one woman and one racially diverse director, and the board is not at least 30 percent diverse. <p>If the company does not have a formal nominating committee, vote against/withhold votes from the entire board of directors.</p> <p>Vote against/withhold from other directors on a case-by-case basis.</p>	<p>USA/CANADA/UK/AUSTRALIA:</p> <p>Vote AGAINST/WITHHOLD from the board nomination committee for a lack of diversity, where diverse is defined as 40% of the board being women and 30% of the board being persons of color.</p> <p>However, if there are no women or persons of color on the board, vote AGAINST/WITHHOLD from the entire board.</p> <p>ALL OTHER MARKETS: Vote AGAINST/WITHHOLD from the board nomination committee for a lack of diversity, where diverse is defined as 40% of the board being women.</p> <p>However, if there are no women on the board, vote AGAINST/WITHHOLD from the entire board.</p>
Attendance at Board and Committee Meetings	<p>Generally vote against/withhold from directors (except nominees who served only part of the fiscal year) who attend less than 75 percent of the aggregate of their board and committee meetings for the period for which they served, unless an acceptable reason for absences is disclosed in the proxy or another SEC filing. New nominees who served for only part of the fiscal year are generally exempted from the attendance policy.</p> <p>Acceptable reasons for director absences are generally limited to the following: medical issues/illness; family engagements; and if the director's total service was three meeting or fewer and the director missed only one meeting. In cases of chronic poor attendance without reasonable justification, in addition to voting against the director(s) with poor attendance, generally vote against or withhold from appropriate members of the nominating/governance committees or the full board. If the proxy disclosure is unclear and insufficient to determine whether a director attended at least 75 percent of the aggregate of his/her board and committee meetings during his/her period of service, vote against/withhold from the director(s) in question.</p>	Aligned with SRI
Overboarded Directors	<p>Generally vote against or withhold from individual directors who:</p> <ul style="list-style-type: none"> • Sit on more than five public company boards; or • Are CEOs of public companies who sit on the boards of more than two public companies besides their own—withhold only at their outside boards. 	<p>Vote against or withhold from individual directors who:</p> <ul style="list-style-type: none"> • Sit on more than four public company boards; or • Are CEOs of public companies who sit on the boards of more than two public companies besides their own (withhold only at their outside boards).

Director Diversity/Competence



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Board Related		
Classification/Declassification of the Board	Vote for proposals to repeal classified boards and to elect all directors annually. Vote against proposals to classify (stagger) the board of directors.	Aligned with SRI
Majority Vote Threshold for Director Elections	Generally vote for management proposals to adopt a majority of vote cast standard for directors in uncontested elections. Vote against if no carve-out for plurality in contested elections is included.	Aligned with SRI
Cumulative Voting	Generally vote against management proposals to eliminate cumulative voting, and for shareholder proposals to restore or provide for cumulative voting unless: <ul style="list-style-type: none"> • The company has proxy access, thereby allowing shareholders to nominate directors to the company's ballot; and • The company has adopted a majority vote standard, with a carve-out for plurality voting in situations where there are more nominees than seats, and a director resignation policy to address failed elections. Vote for proposals for cumulative voting at controlled companies (insider voting power > 50%).	Aligned with SRI
Director and Officer Liability Protection	Vote against proposals to limit or eliminate entirely director and officer liability for: (i) a breach of the duty of care, (ii) acts or omissions not in good faith or involving intentional misconduct or knowing violations of the law, (iii) acts involving the unlawful purchases or redemptions of stock, (iv) the payment of unlawful dividends, or (v) the receipt of improper personal benefits.	Aligned with SRI
Director and Officer Indemnification	Vote against indemnification proposals that would expand coverage beyond just legal expenses to acts, such as negligence, that are more serious violations of fiduciary obligations than mere carelessness. Vote against proposals that would expand the scope of indemnification to provide for mandatory indemnification of company officials in connection with acts that previously the company was permitted to provide indemnification for at the discretion of the company's board (i.e., "permissive indemnification") but that previously the company was not required to indemnify. Vote for only those proposals that provide such expanded coverage in cases when a director's or officer's legal defense was unsuccessful if: (i) the director was found to have acted in good faith and in a manner that the director reasonably believed was in the best interests of the company, and (ii) only if the director's legal expenses would be covered.	Aligned with SRI
Shareholder Ability to Remove Directors/ Fill Vacancies	Vote against proposals that provide that directors may be removed only for cause. Vote for proposals to restore shareholder ability to remove directors with or without cause. Vote against proposals that provide that only continuing directors may elect replacements to fill board vacancies. Vote for proposals that permit shareholders to elect directors to fill board vacancies.	Aligned with SRI
Board Size	Vote for proposals that seek to fix the size of the board. Vote case-by-case on proposals that seek to change the size or range of the board. Vote against proposals that give management the ability to alter the size of the board without shareholder approval.	Aligned with SRI
Establish/Amend Nominee Qualifications	Vote case-by-case on proposals that establish or amend director qualifications. Votes should be based on how reasonable the criteria are and to what degree they may preclude dissident nominees from joining the board.	Refer
Term/Tenure Limits	Vote case-by-case on management proposals regarding director term/tenure limits, considering: <ul style="list-style-type: none"> • The rationale provided for adoption of the term/tenure limit; • The robustness of the company's board evaluation process; • Whether the limit is of sufficient length to allow for a broad range of director tenures; • Whether the limit would disadvantage independent directors compared to non-independent directors; and • Whether the board will impose the limit evenly, and not have the ability to waive it in a discriminatory manner. 	Refer (Mo217, Mo236)



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Age Limits	Generally, vote against management proposal to limit the tenure of independent directors through mandatory retirement ages. Vote for proposals to remove mandatory age limits.	Aligned with SRI
Board-Related Shareholder Proposals/Initiatives		
Proxy Contests- Voting for Director Nominees in Contested Elections	<p>Vote case-by-case on the election of directors in contested elections, considering the following factors:</p> <ul style="list-style-type: none"> • Long-term financial performance of the target company relative to its industry; • Management's track record; • Background to the proxy contest; • Qualifications of the director nominees (both slates); • Strategic plan of dissident slate and quality of critique against management; • Likelihood that the proposed goals and objectives can be achieved (both slates); • Stock ownership positions; • Impact on stakeholders, such as job loss, community lending, equal opportunity, and impact on environment <p>In the case of candidates nominated pursuant to proxy access, vote case-by-case considering any applicable factors listed above or additional factors which may be relevant, including those that are specific to the company, to the nominee(s) and/or to the nature of the election (such as whether or not there are more candidates than board seats).</p>	Refer
Annual Election (Declassification) of the Board	<p>Vote for shareholder proposals to repeal classified (staggered) boards and to elect all directors annually.</p> <p>Vote against proposals to classify the board.</p>	Aligned with SRI
Majority of Independent Directors	<p>Vote for shareholder proposals asking that a majority or more of directors be independent unless the board composition already meets the proposed threshold by Social Advisory Services' definition of independent outsider.</p> <p>Vote for shareholder proposals to strengthen the definition of independence for board directors.</p>	Aligned with SRI
Establishment of Independent Committees	Vote for shareholder proposals asking that board audit, compensation, and/or nominating committees be composed exclusively of independent directors.	Aligned with SRI
Independent Board Chair	Vote for shareholder proposals that would require the board chair to be independent of management.	Aligned with SRI
Establishment of Board Committees	<p>Generally vote for shareholder proposals to establish a new board committee to address broad corporate policy topics or to provide a forum for ongoing dialogue on issues such as the environment, human or labor rights, shareholder relations, occupational health and safety, etc. when the formation of such committees appears to be a potentially effective method of protecting or enhancing shareholder value.</p> <p>In evaluating such proposals, the following factors will be considered:</p> <ul style="list-style-type: none"> • Existing oversight mechanisms (including current committee structure) regarding the issue for which board oversight is sought; • Level of disclosure regarding the issue for which board oversight is sought; • Company performance related to the issue for which board oversight is sought; • Board committee structure compared to that of other companies in its industry sector; and • The scope and structure of the proposal. 	Refer - case-by-case depending on whether the Board already includes committees with oversight of the company's key strategic and operating areas in order to support industry leadership and minimize risks; whether the Board include members with skills, experience, and diversity (gender, race, and ethnic) relevant to the company's strategy and operations; and whether there is a Board Committee with responsibility for CSR or Sustainability, which includes an agenda of environmental and/or social issues.



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Establish/Amend Nominee Qualifications	<p>Vote case-by-case on proposals that establish or amend director qualifications. Votes should be based on how reasonable the criteria are and to what degree they may preclude dissident nominees from joining the board.</p> <p>Vote case-by-case on shareholder resolutions seeking a director nominee candidate who possesses a particular subject matter expertise, considering:</p> <ul style="list-style-type: none"> • The company's board committee structure, existing subject matter expertise, and board nomination provisions relative to that of its peers; • The company's existing board and management oversight mechanisms regarding the issue for which board oversight is sought; • The company's disclosure and performance relating to the issue for which board oversight is sought and any significant related controversies; and • The scope and structure of the proposal. 	Refer
Board Policy on Shareholder Engagement	<p>Vote for shareholders proposals requesting that the board establish an internal mechanism/process, which may include a committee, in order to improve communications between directors and shareholders, unless the company has the following features, as appropriate:</p> <ul style="list-style-type: none"> • Established a communication structure that goes beyond the exchange requirements to facilitate the exchange of information between shareholders and members of the board; • Effectively disclosed information with respect to this structure to its shareholders; • The company has not ignored majority-supported shareholder proposals or a majority withhold vote on a director nominee; and • The company has an independent chairman or a lead director (according to Social Advisory Services' definition). This individual must be made available for periodic consultation and direct communication with major shareholders. 	Aligned with SRI
Proxy Access	<p>Generally vote for management and shareholder proposals for proxy access with the following provisions:</p> <ul style="list-style-type: none"> • Ownership threshold: maximum requirement not more than three percent (3%) of the voting power; • Ownership duration: maximum requirement not longer than three (3) years of continuous ownership for each member of the nominating group; • Aggregation: minimal or no limits on the number of shareholders permitted to form a nominating group; • Cap: cap on nominees of generally twenty-five percent (25%) of the board. <p>Review for reasonableness any other restrictions on the right of proxy access.</p> <p>Generally vote against proposals that are more restrictive than these guidelines.</p>	Aligned with SRI
Term/Tenure Limits	<p>Vote case-by-case on shareholder proposals asking for the company to adopt director term/tenure limits, considering:</p> <ul style="list-style-type: none"> • The scope of the shareholder proposal; and • Evidence of problematic issues at the company combined with, or exacerbated by, a lack of board refreshment. 	Refer (So202)
Age Limits	<p>Generally, vote against management proposal to limit the tenure of independent directors through mandatory retirement ages. Vote for proposals to remove mandatory age limits.</p>	Aligned with SRI
CEO Succession Planning	<p>Generally vote for proposals seeking disclosure on a CEO succession planning policy, considering the scope of the request and the company's existing disclosure on its current CEO succession planning process.</p>	Aligned with SRI
Vote No Campaigns	<p>In cases where companies are targeted in connection with public "vote no" campaigns, evaluate director nominees case-by-case under the existing governance policies for voting on director nominees in uncontested elections. Take into consideration the arguments submitted by shareholders and other publicly available information.</p>	<p>Refer all targets of Director Election Vote No Campaigns</p> <p>(Do not include note for vote no targets. If other reason to vote against, include against reasons but maintain Refer recommendation).</p>



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Ratification of Auditors

Auditor Ratification	<p>Vote for proposals to ratify auditors, unless any of the following apply:</p> <ul style="list-style-type: none"> • The non-audit fees paid represent 25 percent or more of the total fees paid to the auditor; • An auditor has a financial interest in or association with the company, and is therefore not independent; • There is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position; or • Poor accounting practices are identified that rise to a serious level of concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures. 	Aligned with SRI
Auditor-Related Shareholder Proposals	<p>Auditor Independence</p> <p>Vote for shareholder proposals to allow shareholders to vote on auditor ratification.</p> <p>Vote for proposals that ask a company to adopt a policy on auditor independence.</p> <p>Vote for proposals that seek to limit the non-audit services provided by the company's auditor.</p>	Aligned with SRI
	<p>Auditor Rotation</p> <p>Vote for shareholder proposals to rotate company's auditor every five years or more.</p>	Aligned with SRI

Takeover Defenses / Shareholder Rights

Takeover Defenses and Shareholder Rights-Related Management Proposals

Poison Pills (Shareholder Rights Plans)	<p>Vote case-by-case on management proposals on poison pill ratification. The rights plan should have the following attributes:</p> <ul style="list-style-type: none"> • No lower than a 20% trigger, flip-in or flip-over provision; • A term of no more than three years; • No dead-hand, slow-hand, no-hand or similar feature that limits the ability of a future board to redeem the pill; • Shareholder redemption feature (qualifying offer clause): if the board refuses to redeem the pill 90 days after a qualifying offer is announced, 10 percent of the shares may call a special meeting or seek a written consent to vote on rescinding the pill; an • The rationale for adopting the pill should be thoroughly explained by the company. In examining the request for the pill, the company's existing governance structure, including: board independence, existing takeover defenses, and any problematic governance concerns should be taken into consideration. 	Aligned with SRI, except always vote against if the board is classified.
Management Proposals to Ratify Existing Charter or Bylaw Provisions	<p>Generally vote against management proposals to ratify provisions of the company's existing charter or bylaws, unless these governance provisions align with best practice.</p> <ul style="list-style-type: none"> • In addition, voting against/withhold from individual directors, members of the governance committee, or the full board may be warranted, considering: <ul style="list-style-type: none"> • The presence of a shareholder proposal addressing the same issue on the same ballot; • The board's rationale for seeking ratification; • Disclosure of actions to be taken by the board should the ratification proposal fail; • Disclosure of shareholder engagement regarding the board's ratification request; • The level of impairment to shareholders' rights caused by the existing provision; • The history of management and shareholder proposals on the provision at the company's past meetings; • Whether the current provision was adopted in response to the shareholder proposal; • The company's ownership structure; and • Previous use of ratification proposals to exclude shareholder proposals. 	Aligned with SRI



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Net Operating Loss (NOL) Poison Pills/Protective Amendments	<p>Vote against proposals to adopt a poison pill for the state purpose of protecting a company's NOLs if the term of the pill would exceed the shorter of 3 years and the exhaustion of the NOL.</p> <p>Vote case-by-case on management proposals for poison pill ratification, considering the following factors, if the term of the pill would be the shorter of 3 years (or less) and the exhaustion of the NOL:</p> <ul style="list-style-type: none"> • the ownership threshold to transfer, • the value of the NOLs, (iii) shareholder protection mechanisms, • the company's existing governance structure, and • any other relevant factors." <p>Vote against proposals to adopt a protective amendment for the stated purpose of protecting a company's NOLs if the effective term of the protective amendment would exceed the shorter of 3 years and the exhaustion of the NOL.</p> <p>Vote case-by-case, considering the following factors, for management proposals to adopt an NOL protective amendment that would remain in effect for the shorter of 3 years (or less) and the exhaustion of the NOL: (i) the ownership threshold to transfer, (ii) the value of the NOLs, (iii) shareholder protection mechanisms, (iv) the company's existing governance structure, and (v) any other relevant factors.</p>	Aligned with SRI
Supermajority Shareholder Vote Requirements	<p>Vote for proposals to reduce supermajority shareholder vote requirements for charter amendments, mergers and other significant business combinations.</p> <p>For companies with shareholder(s) who own a significant amount of company stock, vote case-by-case, taking into account: a) ownership structure; b) quorum requirements; and c) supermajority vote requirements. "</p> <p>Vote against proposals to require a supermajority shareholder vote for charter amendments, mergers and other significant business combinations.</p>	Aligned with SRI
Shareholder Ability to Call Special Meeting	<p>Vote for proposals that provide shareholders with the ability to call special meetings taking into account: a) shareholders' current right to call special meetings, b) minimum ownership threshold necessary to call special meetings (10% preferred), c) the inclusion of exclusionary or prohibitive language, d) investor ownership structure, and e) shareholder support of and management's response to previous shareholder proposals.</p> <p>Vote against proposals to restrict or prohibit shareholders' ability to call special meetings.</p>	Aligned with SRI
Shareholder Ability to Act by Written Consent	<p>Generally vote against proposals to restrict or prohibit shareholders' ability to take action by written consent.</p> <p>Vote for proposals to allow or facilitate shareholder action by written consent, taking into consideration: a) shareholders' current right to act by written consent, b) consent threshold, c) the inclusion of exclusionary or prohibitive language, d) Investor ownership structure, and e) shareholder support of and management's response to previous shareholder proposals.</p> <p>Vote case-by-case on shareholder proposals if, in addition to the considerations above, the company has the following governance and antitakeover provisions; a) an unfettered right for shareholders to call special meetings at a 10 percent threshold; b) a majority vote standard in uncontested director elections; c) no non-shareholder approved pill, and; d) an annually elected board.</p>	Aligned with SRI
Advance Notice Requirements for Shareholder Proposals/Nominations	<p>Vote case-by-case basis on advance notice proposals, giving support to those proposals which allow shareholders to submit proposals/nominations as close to the meeting date as reasonably possible and within the broadest window possible, recognizing the need to allow sufficient notice for company, regulatory and shareholder review.</p> <p>To be reasonable, the company's deadline for shareholder notice of a proposal/nominations must be no earlier than 120 days prior to the anniversary of the previous year's meeting and have a submittal window of no shorter than 30 days from the beginning of the notice period (also known as a 90-120 day window). The submittal window is the period under which shareholders must file their proposals/nominations prior to the deadline.</p> <p>In general, support additional efforts by companies to ensure full disclosure in regard to a proponent's economic and voting position in the company so long as the informational requirements are reasonable and aimed at providing shareholders with the necessary information to review such proposals.</p>	Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Fair Price Provisions	<p>Vote case-by-case on proposals to adopt fair price provisions evaluating factors such as the vote required to approve the proposed acquisition, the vote required to repeal the fair price provision, and the mechanism for determining the fair price.</p> <p>Generally, vote against fair price provisions with shareholder vote requirements greater than a majority of disinterested shares.</p>	Aligned with SRI
Greenmail	<p>Vote for proposals to adopt antigreenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.</p> <p>Review on a case-by-case basis antigreenmail proposals when they are bundled with other charter or bylaw amendments.</p>	Aligned with SRI
Confidential Voting	Vote for management proposals to adopt confidential voting.	Aligned with SRI
Control Share Acquisition Provisions	<p>Vote for proposals to opt out of control share acquisition statutes unless doing so would enable the completion of a takeover that would be detrimental to shareholders.</p> <p>Vote against proposals to amend the charter to include control share acquisition provisions.</p> <p>Vote for proposals to restore voting rights to the control shares.</p>	Aligned with SRI
Control Share Cash-Out Provisions	Vote for proposals to opt out of control share cash-out statutes.	Aligned with SRI
Disgorgement Provisions	Vote for proposals to opt out of state disgorgement provisions.	Aligned with SRI
State Takeover Statutes	<p>Vote on a case-by-case basis proposals to opt in or out of state takeover statutes (including control share acquisition statutes, control share cash-out statutes, freezeout provisions, fair price provisions, stakeholder laws, poison pill endorsements, severance pay and labor contract provisions, antigreenmail provisions, and disgorgement provisions).</p> <p>Vote for opting into stakeholder protection statutes if they provide comprehensive protections for employees and community stakeholders.</p>	Aligned with SRI
Freeze-Out Provisions	Vote for proposals to opt out of state freeze-out provisions.	Aligned with SRI
Reincorporation Proposals	<p>Vote on a case-by-case basis proposals to change a company's state of incorporation giving consideration to both financial and corporate governance concerns including the following:</p> <ul style="list-style-type: none"> • Reasons for reincorporation; • Comparison of company's governance practices and provisions prior to and following the reincorporation; • Comparison of corporation laws of original state and destination state. <p>Reincorporations into "tax havens" will be given special consideration.</p>	Aligned with SRI
Amend Bylaws Without Shareholder Consent	<p>Vote against proposals giving the board exclusive authority to amend the bylaws.</p> <p>Vote for proposals giving the board the ability to amend the bylaws in addition to shareholders.</p>	Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Shareholder Litigation Rights	<p>Generally vote for federal forum selection provisions in the charter or bylaws that specify ""the district courts of the United States"" as the exclusive forum for federal securities law matters, in the absence of serious concerns about corporate governance or board responsiveness to shareholders.</p> <p>Vote against provisions that restrict the forum to a particular federal district court; unilateral adoption (without a shareholder vote) of such a provision will generally be considered a one-time failure under the Unilateral Bylaw/Charter Amendments policy.</p> <p>Generally vote for charter or bylaw provisions that specify courts located within the state of Delaware as the exclusive forum for corporate law matters for Delaware corporations, in the absence of serious concerns about corporate governance or board responsiveness to shareholders.</p> <p>For states other than Delaware, vote case-by-case on exclusive forum provisions, taking into consideration:</p> <ul style="list-style-type: none"> • The company's stated rationale for adopting such a provision; • Disclosure of past harm from duplicative shareholder lawsuits in more than one forum; • The breadth of application of the charter or bylaw provision, including the types of lawsuits to which it would apply and the definition of key terms; and • Governance features such as shareholders' ability to repeal the provision at a later date (including the vote standard applied when shareholders attempt to amend the charter or bylaws) and their ability to hold directors accountable through annual director elections and a majority vote standard in uncontested elections. <p>Generally vote against provisions that specify a state other than the state of incorporation as the exclusive forum for corporate law matters, or that specify a particular local court within the state; unilateral adoption of such a provision will generally be considered a one-time failure under the Unilateral Bylaw/Charter Amendments policy."</p> <p>Generally vote against provisions that mandate fee-shifting whenever plaintiffs are not completely successful on the merits (i.e., including cases where the plaintiffs are partially successful).</p> <p>Unilateral adoption of a fee-shifting provision will generally be considered an ongoing failure under the Unilateral Bylaw/Charter Amendments policy."</p>	Aligned with SRI
Virtual Shareholder Meetings	<p>Generally vote for management proposals allowing for the convening of shareholder meetings by electronic means, so long as they do not preclude in-person meetings. Companies are encouraged to disclose the circumstances under which virtual-only meetings would be held, and to allow for comparable rights and opportunities for shareholders to participate electronically as they would have during an in-person meeting.</p> <p>Vote case-by-case on shareholder proposals concerning virtual-only meetings, considering:</p> <ul style="list-style-type: none"> • Scope and rationale of the proposal; and • Concerns identified with the company's prior meeting practices 	Aligned with SRI
Takeover Defenses and Shareholder Rights-Related Shareholder Proposals		
Shareholder Proposals to put Pill to a Vote and/or Adopt a Pill Policy	<p>Vote for shareholder proposals requesting that the company submit its poison pill to a shareholder vote or redeem it unless the company has: 1) a shareholder approved poison pill in place, or 2) the company has adopted a policy concerning the adoption of a pill in the future specifying that the board will only adopt a shareholder rights plan if either:</p> <ul style="list-style-type: none"> • shareholders have approved the adoption of the plan or; • the board, in its exercise of its fiduciary responsibilities, determines that it is in the best interest of shareholders under the circumstances to adopt a pill without the delay in adoption that would result from seeking stockholder approval. 	Aligned with SRI
Reduce Supermajority Vote Requirements	<p>Vote for shareholder proposals to lower supermajority shareholder vote requirements for charter and bylaw amendments.</p> <p>Vote for shareholder proposals to lower supermajority shareholder vote requirements for mergers and other significant business combinations.</p>	Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Remove Antitakeover Provisions	Vote for shareholder proposals that seek to remove antitakeover provisions.	Aligned with SRI
Reimbursing Proxy Solicitation Expenses	<p>Vote case-by-case on proposals to reimburse proxy solicitation expenses. When voting in conjunction with support of a dissident slate, vote for the reimbursement of all appropriate proxy solicitation expenses associated with the election.</p> <p>Vote for shareholder proposals calling for the reimbursement of reasonable costs incurred in connection with nominating one or more candidates in a contested election where the following apply:</p> <ul style="list-style-type: none"> • The election of fewer than 50 percent of the directors to be elected is contested in the election; • One or more of the dissident's candidates is elected; • Shareholders are not permitted to cumulate their votes for directors; • The election occurred, and the expenses were incurred, after the adoption of this bylaw. 	Aligned with SRI
Miscellaneous Governance Provisions		
Bundled Proposals	Review on a case-by-case basis bundled or "conditioned" proxy proposals.	Aligned with SRI
Adjourn Meeting	<p>Generally vote against proposals to provide management with the authority to adjourn an annual or special meeting absent compelling reasons to support the proposal.</p> <p>Vote for proposals that relate specifically to soliciting votes for a merger or transaction if supporting that merger or transaction.</p> <p>Vote against proposals if the wording is too vague or if the proposal includes "other business."</p>	Aligned with SRI
Changing Corporate Name	Vote for changing the corporate name unless there is compelling evidence that the change would adversely affect shareholder value.	Refer if ESG concerns are raised by the name change (e.g. Native American naming concerns raised)
Amend Quorum Requirements	Vote against proposals to reduce quorum requirements for shareholder meetings below a majority of the shares outstanding unless there are compelling reasons to support the proposal.	Aligned with SRI
Amend Minor Bylaws	Vote for bylaw or charter changes that are of a housekeeping nature (updates or corrections).	Aligned with SRI
Other Business	Generally vote against other business proposals.	Aligned with SRI
Approve Political Donations	Generally vote for the resolution to authorise EU political donations and expenditure.	Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
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Capital Structure

Common Stock Authorization	<p>Proposals to increase authorized common stock are evaluated on a case-by-case basis, taking into account the size of the increase, the company's rationale for additional shares, the company's use of authorized shares during the last three years, and the risk to shareholders if the request is not approved. A company's need for additional shares is gauged by measuring shares outstanding and reserved as a percentage of the total number of shares currently authorized for issuance.</p> <p>Generally vote against the requested increase in authorized capital on the basis of imprudent past use of shares if, within the past three years, the board adopted a poison pill without shareholder approval, repriced or exchanged underwater stock options without shareholder approval, or placed a substantial amount of stock with insiders at prices substantially below market value without shareholder approval.</p> <p>Vote for proposals to increase the number of authorized common shares where the primary purpose of the increase is to issue shares in connection with a transaction on the same ballot that warrants support.</p> <p>Vote against proposals at companies with more than one class of common stock to increase the number of authorized shares of the class of common stock that has superior voting rights.</p> <p>Vote against proposals to increase the number of authorized common shares if a vote for a reverse stock split on the same ballot is warranted despite the fact that the authorized shares would not be reduced proportionally.</p> <p>Review on a case-by-case basis all other proposals to increase the number of shares of common stock authorized for issue, considering company-specific factors that include past company performance and the current request.</p>	Aligned with SRI
Issue Stock for Use with Rights Plan	<p>Vote against proposals that increase authorized common stock for the explicit purpose of implementing a non-shareholder approved shareholder rights plan (poison pill).</p>	Aligned with SRI
Stock Distributions: Splits and Dividends	<p>Generally vote for management proposals to increase the common share authorization for stock split or stock dividend, provided that the effective increase in authorized shares is equal to or is less than the allowable increase calculated in accordance with Social Advisory Services' Common Stock Authorization policy.</p>	Aligned with SRI
Reverse Stock Splits	<p>Vote for management proposals to implement a reverse stock split when the number of authorized shares will be proportionately reduced; The effective increase in authorized shares is equal to or less than the allowable increase calculated in accordance with ISS' Common Stock Authorization policy.</p> <p>Vote case-by-case proposals that do not meet either of the above conditions, taking into account the following factors:</p> <ul style="list-style-type: none"> • A Stock exchange notification to the company of a potential delisting; • Disclosure of substantial doubt about the company's ability to continue as a going concern without additional financing; • The company's rationale; or Other factors as applicable. 	Aligned with SRI
Preferred Stock Authorization	<p>Vote for proposals to increase the number of authorized preferred shares where the primary purpose of the increase is to issue shares in connection with a transaction on the same ballot that warrants support.</p> <p>Vote against proposals at companies with more than one class or series of preferred stock to increase the number of authorized shares of the class or series of preferred stock that has superior voting rights.</p> <p>Vote on a case-by-case basis proposals to increase the number of shares of preferred stock authorized for issuance, considering company-specific factors that include past board performance and the current request.</p>	Aligned with SRI
Blank Check Preferred Stock	<p>Vote against proposals that would authorize the creation of new classes of preferred stock with unspecified voting, conversion, dividend distribution, and other rights ("blank check" preferred stock).</p> <p>Vote against proposals to increase the number of blank check preferred stock authorized for issuance when no shares have been issued or reserved for a specific purpose.</p> <p>Vote for proposals to create "declawed" blank check preferred stock (stock that cannot be used as a takeover defense).</p> <p>Vote for requests to require shareholder approval for blank check authorizations.</p>	



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Adjustments to Par Value of Common Stock	<p>Vote for management proposals to reduce the par value of common stock unless the action is being taken to facilitate an anti-takeover device or some other negative corporate governance action.</p> <p>Vote for management proposals to eliminate par value.</p>	Aligned with SRI
Unequal Voting Rights	<p>Generally vote against proposals to create a new class of common stock, unless:</p> <ul style="list-style-type: none"> • The company discloses a compelling rationale for the dual-class capital structure, including: a) the company's auditor has concluded that there is substantial doubt about the company's ability to continue as a going concern; • or b) the new class of shares will be transitory; • The new class is intended for financing purposes with minimal or no dilution to current shareholders in both the short term and long term; • The new class is not designed to preserve or increase the voting power of an insider or significant shareholder. 	Aligned with SRI
Preemptive Rights	<p>Review on a case-by-case basis proposals to create or abolish preemptive rights taking into consideration the size of the company, the characteristics of its shareholder base, and the liquidity of the stock.</p>	Refer
Debt Restructurings	<p>Review on a case-by-case basis proposals regarding debt restructurings.</p> <p>Vote for the debt restructuring if it is expected that the company will file for bankruptcy if the transaction is not approved.</p>	Aligned with SRI
Share Repurchase Programs	<p>For U.S.-incorporated companies, and foreign-incorporated U.S. Domestic Issuers that are traded solely on U.S. exchanges, vote for management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms, or to grant the board authority to conduct open-market repurchases, in the absence of company-specific concerns regarding:</p> <ul style="list-style-type: none"> • Greenmail, • The use of buybacks to inappropriately manipulate incentive compensation metrics, • Threats to the company's long-term viability, or • Other company-specific factors as warranted. <p>Vote case-by-case on proposals to repurchase shares directly from specified shareholders, balancing the stated rationale against the possibility for the repurchase authority to be misused, such as to repurchase shares from insiders at a premium to market price.</p>	Aligned with SRI
Conversion of Securities	<p>Vote case-by-case on proposals regarding conversion of securities, taking into account the dilution to existing shareholders, the conversion price relative to market value, financial issues, control issues, termination penalties, and conflicts of interest.</p> <p>Vote for the conversion if it is expected that the company will be subject to onerous penalties or will be forced to file for bankruptcy if the transaction is not approved.</p>	Aligned with SRI
Recapitalization	<p>Vote case-by-case on recapitalizations (reclassifications of securities), taking into account whether capital structure is simplified, liquidity is enhanced, fairness of conversion terms, impact on voting power and dividends, reasons for the reclassification, conflicts of interest, and other alternatives considered.</p>	Aligned with SRI
Tracking Stock	<p>Vote case-by-case on the creation of tracking stock, weighing the strategic value of the transaction against such factors as: adverse governance changes, excessive increases in authorized capital stock, unfair method of distribution, diminution of voting rights, adverse conversion features, negative impact on stock option plans, and alternatives such as spin-offs.</p>	Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
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Executive and Director Compensation

Executive Pay

Advisory Votes on Executive Compensation - Management Say-on-Pay Proposals

Vote on a **case-by-case** basis management proposals seeking advisory votes on executive compensation

Vote **against** management say on pay proposals where there is a misalignment between CEO pay and company performance; the company maintains problematic pay practices; the board exhibits a significant level of poor communication and responsiveness to shareholders.

Vote **against** or withhold from the members of the Compensation Committee and potentially the full board if:

- There is no SOP on the ballot, and an against vote on an SOP is warranted due to pay-for-performance misalignment, problematic pay practices, or the lack of adequate responsiveness on compensation issues raised previously, or a combination thereof;
- The board fails to respond adequately to a previous SOP proposal that received less than 70 percent support of votes cast;
- The company has recently practiced or approved problematic pay practices, including option repricing or option backdating; or
- The situation is egregious.

Vote **against** an equity plan on the ballot if pay for performance misalignment exists, and a significant portion of the CEO's misaligned pay is attributed to non-performance-based equity awards, taking into consideration:

- Magnitude of pay misalignment;
- Contribution of non-performance-based equity grants to overall pay;
- The proportion of equity awards granted in the last three fiscal years concentrated at the named executive officer (NEO) level.

Vote **against** if any of the following apply:

- CEO pay is excessive compared to its peers.
- Equity awards vest in less than five years.
- CEO pay is not tied to ESG performance.
- The company CEO-worker pay ratio exceeds 50:1. If the company does not report a CEO-worker pay ratio, CEO pay exceeds 50 times the median household income.

These factors constitute Trillium's best effort to capture a number of important factors that we believe address firm performance and wider systemic challenges that may have a negative impact on economic growth including excessive executive compensation; economic inequality; environmental and social performance; and long-term thinking. We are also currently exploring ways to include how to link CEO long-term incentive compensation to a return on invested capital or an equivalent metric such as return on equity (as is most relevant to the industry).

Frequency of Advisory Vote on Executive Compensation - Management Say-on-Pay

Vote for annual advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.

Aligned with SRI

Advisory Vote on Golden Parachutes in an Acquisition, Merger, Consolidation, or Proposed Sale

Vote **case-by-case** on say on Golden Parachute proposals, including consideration of existing change-in-control arrangements maintained with named executive officers rather than focusing primarily on new or extended arrangements.

Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Equity-Based Incentive Plans	<p>Vote case-by-case on certain equity-based compensation plans depending on a combination of certain plan features and equity grant practices, where positive factors may counterbalance negative factors, and vice versa, as evaluated using an "equity plan scorecard" (EPSC) approach with three pillars: Plan Cost; Plan Features; and Grant Practices.</p> <p>(i) Plan Cost: The total estimated cost of the company's equity plans relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) in relation to peers and considering both:</p> <ul style="list-style-type: none"> • SVT based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants; and • SVT based only on new shares requested plus shares remaining for future grants. <p>(ii) Plan Features:</p> <ul style="list-style-type: none"> • Automatic single-triggered award vesting upon a change in control (CIC); • Discretionary vesting authority; • Liberal share recycling on various award types; • Lack of minimum vesting period for grants made under the plan; • Dividends payable prior to award vesting. <p>(iii) Grant Practices:</p> <p>The company's three-year burn rate relative to its industry/market cap peers;</p> <ul style="list-style-type: none"> • Vesting requirements in most recent CEO equity grants (3-year look-back); • The estimated duration of the plan (based on the sum of shares remaining available and the new shares requested, divided by the average annual shares granted in the prior three years); • The proportion of the CEO's most recent equity grants/awards subject to performance conditions; • Whether the company maintains a claw-back policy; • Whether the company has established post-exercise/vesting share-holding requirements. <p>Generally vote against the plan proposal if the combination of above factors indicates that the plan is not, overall, in shareholders' interests, or if any of the following apply:</p> <ul style="list-style-type: none"> • Awards may vest in connection with a liberal change-of-control definition; • The plan would permit repricing or cash buyout of underwater options without shareholder approval (either by expressly permitting it – for NYSE and Nasdaq listed companies -- or by not prohibiting it when the company has a history of repricing – for non-listed companies); • The plan is a vehicle for problematic pay practices or a significant pay-for-performance disconnect under certain circumstances; • The plan is excessively dilutive to shareholders' holdings; • The plan contains an evergreen (automatic share replenishment) feature; or • Any other plan features are determined to have a significant negative impact on shareholder interests 	<p>Vote against if any of the following apply:</p> <ul style="list-style-type: none"> • CEO pay is excessive compared to its peers. • Equity awards vest in less than five years. • CEO pay is not tied to ESG performance. • The company CEO-worker pay ratio exceeds 50:1. If the company does not report a CEO-worker pay ratio, CEO pay exceeds 50 times the median household income. <p>These factors constitute Trillium's best effort to capture a number of important factors that we believe address firm performance and wider systemic challenges that may have a negative impact on economic growth including excessive executive compensation; economic inequality; environmental and social performance; and long-term thinking. We are also currently exploring ways to include how to link CEO long-term incentive compensation to a return on invested capital or an equivalent metric such as return on equity (as is most relevant to the industry).</p>

Other Compensation Plans

Amending Cash and Equity Plans (including Approval for Tax Deductibility (162(m)))

Vote **case-by-case** on amendments to cash and equity incentive plans.

Generally **vote for** proposals to approve or amend executive incentive bonus plans if the proposal:

- Addresses administrative features only; or
- Seeks approval for Section 162(m) purposes only, and the plan administering committee consists entirely of independent outsiders, per Social Advisory Services' Categorization of Directors. Note that if the company is presenting the plan to shareholders for the first time after the company's initial public offering (IPO), or if the proposal is bundled with other material plan amendments, then the recommendation will be case-by-case (see below).

(Continued on next page) >>

Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline	
Amending Cash and Equity Plans (including Approval for Tax Deductibility (162(m)))	<p>Vote case-by-case on all other proposals to amend equity incentive plans, considering the following:</p> <ul style="list-style-type: none"> • If the proposal requests additional shares and/or the amendments may potentially increase the transfer of shareholder value to employees, the recommendation will be based on the Equity Plan Scorecard evaluation as well as an analysis of the overall impact of the amendments. • If the plan is being presented to shareholders for the first time after the company's IPO, whether or not additional shares are being requested, the recommendation will be based on the Equity Plan Scorecard evaluation as well as an analysis of the overall impact of any amendments. • If there is no request for additional shares and the amendments are not deemed to potentially increase the transfer of shareholder value to employees, then the recommendation will be based entirely on an analysis of the overall impact of the amendments, and the EPSC evaluation will be shown for informational purposes. <p>Vote case-by-case on all other proposals to amend cash incentive plans. This includes plans presented to shareholders for the first time after the company's IPO and/or proposals that bundle material amendment(s) other than those for Section 162(m) purposes.</p> <p>Vote against proposals to amend executive cash, stock, or cash and stock incentive plans if the proposal:</p> <ul style="list-style-type: none"> • Seeks approval for Section 162(m) purposes only, and the plan administering committee does not consist entirely of independent outsiders, per Social Advisory Services' Categorization of Directors. 	Aligned with SRI	
Employee Stock Purchase Plans (ESPPs)	Qualified Plans	<p>Vote case-by-case on qualified employee stock purchase plans. Vote for employee stock purchase plans where all of the following apply:</p> <ul style="list-style-type: none"> • Purchase price is at least 85 percent of fair market value; • Offering period is 27 months or less; and • The number of shares allocated to the plan is ten percent or less of the outstanding shares." <p>Vote against qualified employee stock purchase plans where any of the following apply:</p> <ul style="list-style-type: none"> • Purchase price is less than 85 percent of fair market value; or • Offering period is greater than 27 months; or • The number of shares allocated to the plan is more than ten percent of the outstanding shares. 	Aligned with SRI
	Non-Qualified Plans	<p>Vote for nonqualified employee stock purchase plans with all the following features:</p> <ul style="list-style-type: none"> • Broad-based participation (i.e., all employees of the company with the exclusion of individuals with 5 percent or more of beneficial ownership of the company); • Limits on employee contribution, which may be a fixed dollar amount or expressed as a percent of base salary; • Company matching contribution up to 25 percent of employee's contribution, which is effectively a discount of 20 percent from market value; and • No discount on the stock price on the date of purchase since there is a company matching contribution. 	Aligned with SRI
Employee Stock Ownership Plans (ESOPs)	<p>Vote for proposals to implement an ESOP or increase authorized shares for existing ESOPs, unless the number of shares allocated to the ESOP is excessive (more than five percent of outstanding shares).</p>	Aligned with SRI	
Option Exchange Programs/Repricing Options	<p>Vote case-by-case on management proposals seeking approval to exchange/reprice options.</p> <p>Vote for shareholder proposals to put option repricings to a shareholder vote.</p>	Aligned with SRI	
Stock Plans in Lieu of Cash	<p>Vote case-by-case on plans that provide participants with the option of taking all or a portion of their cash compensation in the form of stock.</p> <p>Vote for non-employee director-only equity plans that provide a dollar-for-dollar cash-for-stock exchange.</p> <p>Vote case-by-case on plans which do not provide a dollar-for-dollar cash for stock exchange. In cases where the exchange is not dollar-for-dollar, the request for new or additional shares for such equity program will be considered using the binomial option pricing model.</p>	Aligned with SRI	



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Transfer Stock Option (TSO) Programs	<p>Vote case-by-case on one-time transfers. Vote for if: (i) Executive officers and non-employee directors are excluded from participating; (ii) Stock options are purchased by third-party financial institutions at a discount to their fair value using option pricing models such as Black-Scholes or a Binomial Option Valuation or other appropriate financial models; and (iii) There is a two-year minimum holding period for sale proceeds (cash or stock) for all participants.</p> <p>Vote against equity plan proposals if the details of ongoing TSO programs are not provided to shareholders.</p>	Aligned with SRI
401(k) Employee Benefit Plans	Vote for proposals to implement a 401(k) savings plan for employees.	Aligned with SRI
Severance Agreements for Executives/Golden Parachutes	<p>Vote on a case-by-case basis on proposals to ratify or cancel golden parachutes. An acceptable parachute should include, but is not limited to, the following:</p> <ul style="list-style-type: none"> • The triggering mechanism should be beyond the control of management; • The amount should not exceed three times base amount (defined as the average annual taxable W-2 compensation during the five years prior to the year in which the change of control occurs); • Change-in-control payments should be double-triggered, i.e., (1) after a change in control has taken place, and (2) termination of the executive as a result of the change in control. 	Aligned with SRI
Director Compensation		
Shareholder Ratification of Director Pay Programs	<p>Vote case-by-case on management proposals seeking ratification of non-employee director compensation, based on the following factors:</p> <ul style="list-style-type: none"> • If the equity plan under which non-employee director grants are made is on the ballot, whether or not it warrants support; and • An assessment of the following qualitative factors: <ul style="list-style-type: none"> • The relative magnitude of director compensation as compared to companies of a similar profile; • The presence of problematic pay practices relating to director compensation; • Director stock ownership guidelines and holding requirements; • Equity award vesting schedules; • The mix of cash and equity-based compensation; • Meaningful limits on director compensation; • The availability of retirement benefits or perquisites; and • The quality of disclosure surrounding director compensation. 	<p>Vote against if any of the following apply:</p> <p>Outside director compensation exceeds USD 100,000</p>
Equity Plans for Non-Employee Directors	<p>Vote case-by-case on compensation plans for non-employee directors, based on:</p> <ul style="list-style-type: none"> • The total estimated cost of the company's equity plans relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants; • The company's three-year burn rate relative to its industry/market cap peers; and • The presence of any egregious plan features (such as an option repricing provision or liberal CIC vesting risk). <p>On occasion, director stock plans will exceed the plan cost or burn rate benchmarks when combined with employee or executive stock plans. In such cases, vote case-by-case on the plan taking into consideration the following qualitative factors:</p> <ul style="list-style-type: none"> • The relative magnitude of director compensation as compared to companies of a similar profile; • The presence of problematic pay practices relating to director compensation; • Director stock ownership guidelines and holding requirements; • Equity award vesting schedules; • The mix of cash and equity-based compensation; • Meaningful limits on director compensation; • The availability of retirement benefits or perquisites; and • The quality of disclosure surrounding director compensation. 	<p>Vote against if any of the following apply:</p> <p>Outside director compensation exceeds USD 100,000</p>



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Outside Director Stock Awards / Options in Lieu of Cash	Vote for proposals that seek to pay outside directors a portion of their compensation in stock rather than cash.	Aligned with SRI
Director Retirement Plans	Vote against retirement plans for non-employee directors. Vote for shareholder proposals to eliminate retirement plans for non-employee directors.	Aligned with SRI
Shareholder Proposals on Compensation		
Increase Disclosure of Executive Compensation	Vote for shareholder proposals seeking increased disclosure on executive compensation issues including the preparation of a formal report on executive compensation practices and policies.	Aligned with SRI
Limit Executive Compensation	Vote for proposals to prepare reports seeking to compare the wages of a company's lowest paid worker to the highest paid workers. Vote case-by-case on proposals that seek to establish a fixed ratio between the company's lowest paid workers and the highest paid workers.	Aligned with SRI
Stock Ownership Requirements	Generally vote against shareholder proposals that mandate a minimum amount of stock that directors must own in order to qualify as a director or to remain on the board.	Aligned with SRI
Prohibit/Require Shareholder Approval for Option Repricing	Vote for shareholder proposals seeking to limit repricing. Vote for shareholder proposals asking the company to have option repricings submitted for shareholder ratification.	Aligned with SRI
Severance Agreements/ Golden Parachutes	Vote for shareholder proposals requiring that golden parachutes or executive severance agreements be submitted for shareholder ratification, unless the proposal requires shareholder approval prior to entering into employment contracts.	Aligned with SRI
Cash Balance Plans	Vote for shareholder proposals calling for non-discrimination in retirement benefits. Vote for shareholder proposals asking a company to give employees the option of electing to participate in either a cash balance plan or in a defined benefit plan.	Aligned with SRI
Performance-Based Equity Awards	Vote case-by-case on shareholder proposal requesting that a significant amount of future long-term incentive compensation awarded to senior executives shall be performance-based and requesting that the board adopt and disclose challenging performance metrics to shareholders.	For
Pay for Superior Performance	Generally vote for shareholder proposals based on a case-by-case analysis that requests the board establish a pay-for-superior performance standard in the company's executive compensation plan for senior executives.	Aligned with SRI
Link Compensation to Non-Financial Factors	Vote for shareholder proposals calling for linkage of executive pay to non-financial factors including performance against social and environmental goals, customer/employee satisfaction, corporate downsizing, community involvement, human rights, or predatory lending. Vote for shareholder proposals seeking reports on linking executive pay to non-financial factors.	Aligned with SRI
Advisory Vote on Executive Compensation (Say-on-Pay) Shareholder Proposals	Generally vote for shareholder proposals that call for non-binding shareholder ratification of the compensation of the Named Executive Officers and the accompanying narrative disclosure of material factors provided to understand the Summary Compensation Table.	Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Employment Termination Prior to Severance Payment and Eliminating Accelerated Vesting of Unvested Equity	<p>Vote case-by-case on shareholder proposals seeking a policy requiring termination of employment prior to severance payment, and eliminating accelerated vesting of unvested equity. The following factors will be taken into regarding this policy: (i) The company's current treatment of equity in change-of-control situations (i.e. is it double triggered, does it allow for the assumption of equity by acquiring company, the treatment of performance shares; and (ii) Current employment agreements, including potential problematic pay practices such as gross-ups embedded in those agreements.</p> <p>Generally vote for proposals seeking a policy that prohibits acceleration of the vesting of equity awards to senior executives in the event of a change in control (except for pro rata vesting considering the time elapsed and attainment of any related performance goals between the award date and the change in control).</p>	Aligned with SRI
Tax Gross-Up Proposals	<p>Generally vote for proposals calling for companies to adopt a policy of not providing tax gross-up payments to executives, except in situations where gross-ups are provided pursuant to a plan, policy, or arrangement applicable to management employees of the company, such as a relocation or expatriate tax equalization policy.</p>	Aligned with SRI
Compensation Consultants - Disclosure of Board or Company's Utilization	<p>Generally vote for shareholder proposals seeking disclosure regarding the Company, Board, or Compensation Committee's use of compensation consultants, such as company name, business relationship(s) and fees paid.</p>	Aligned with SRI
Golden Coffins/Executive Death Benefits	<p>Generally vote for proposals calling companies to adopt a policy of obtaining shareholder approval for any future agreements and corporate policies that could oblige the company to make payments or awards following the death of a senior executive in the form of unearned salary or bonuses, accelerated vesting or the continuation in force of unvested equity grants, perquisites and other payments or awards made in lieu of compensation.</p>	Aligned with SRI
Recoup Bonuses	<p>Vote on a case-by-case on proposals to recoup unearned incentive bonuses or other incentive payments made to senior executives if it is later determined that the figures upon which incentive compensation is earned later turn out to have been in error.</p>	Aligned with SRI
Adopt Anti-Hedging/ Pledging/ Speculative Investment Policy	<p>Generally vote for proposals seeking a policy that prohibits named executive officers from engaging in derivative or speculative transactions involving company stock, including hedging, holding stock in a margin account, or pledging stock as collateral for a loan.</p>	Aligned with SRI
Bonus Banking	<p>Vote case-by-case on proposals seeking deferral of a portion of annual bonus pay, with ultimate payout linked to sustained results for the performance metrics on which the bonus was earned (whether for the named executive officers or a wider group of employees).</p>	Aligned with SRI
Hold Equity Past Retirement or for a Significant Period of Time	<p>Vote case-by-case on shareholder proposals asking companies to adopt policies requiring senior executive officers to retain a portion of net shares acquired through compensation plans. The following factors will be taken into account:</p> <ul style="list-style-type: none"> • The percentage/ratio of net shares required to be retained; • The time period required to retain the shares; • Whether the company has equity retention, holding period, and/or stock ownership requirements in place and the robustness of such requirements; • Whether the company has any other policies aimed at mitigating risk taking by executives; • Executives' actual stock ownership and the degree to which it meets or exceeds the proponent's suggested holding period/retention ratio or the company's existing requirements; and • Problematic pay practices, current and past, which may demonstrate a short-term versus long-term focus. 	Aligned with SRI
Non-Deductible Compensation	<p>Generally vote for proposals seeking disclosure of the extent to which the company paid non-deductible compensation to senior executives due to Internal Revenue Code Section 162(m), while considering the company's existing disclosure practices.</p>	Aligned with SRI
Pre-Arranged Trading Plans (10b5-1 Plans)	<p>Generally vote for shareholder proposals calling for certain principles regarding the use of prearranged trading plans (10b5-1 plans) for executives.</p>	Aligned with SRI



Topic	2021 ISS SRI Vote Recommendation	Vote Guideline
Mergers and Acquisitions		
Mergers and Acquisitions	Votes on mergers and acquisitions are considered on a case-by-case basis. A review and evaluation of the merits and drawbacks of the proposed transaction is conducted, balancing various and sometimes countervailing factors.	Refer
Corporate Reorganization/ Restructuring Plans (Bankruptcy)	Vote case-by-case on proposals to common shareholders on bankruptcy plans of reorganization.	Aligned with SRI
Special Purpose Acquisition Corporations (SPACs)	Vote case-by-case on SPAC mergers and acquisitions taking into account valuation, market reaction, deal timing, negotiations and process, conflicts of interest, voting agreements, governance, and stakeholder impact.	Aligned with SRI
Special Purpose Acquisition Corporations (SPACs) - Proposals for Extensions	Vote case-by-case on SPAC extension proposals taking into account the length of the requested extension, the status of any pending transaction(s) or progression of the acquisition process, any added incentive for non-redeeming shareholders, and any prior extension requests.	Aligned with SRI
Spin-Offs	Votes on spin-offs should be considered on a case-by-case basis depending on the tax and regulatory advantages, planned use of sale proceeds, valuation of spinoff, fairness opinion, benefits to the parent company, conflicts of interest, managerial incentives, corporate governance changes, and changes in the capital structure.	Aligned with SRI
Asset Purchases	Votes on asset purchase proposals should be made on a case-by-case after considering the purchase price, fairness opinion, financial and strategic benefits, how the deal was negotiated, conflicts of interest, other alternatives for the business, non-completion risk.	Aligned with SRI
Asset Sales	Votes on asset sales should be made on a case-by-case basis after considering the impact on the balance sheet/working capital, value received for the asset, potential elimination of diseconomies, anticipated financial and operating benefits, anticipated use of funds, fairness opinion, how the deal was negotiated, and conflicts of interest.	Aligned with SRI
Liquidations	Votes on liquidations should be made on a case-by-case basis after reviewing management's efforts to pursue other alternatives, appraisal value of assets, and the compensation plan for executives managing the liquidation. Vote for the liquidation if the company will file for bankruptcy if the proposal is not approved.	Aligned with SRI
Joint Ventures	Vote case-by-case on proposals to form joint ventures, taking into account percentage of assets/business contributed, percentage ownership, financial and strategic benefits, governance structure, conflicts of interest, other alternatives, and non-completion risk.	Refer
Appraisal Rights	Vote for proposals to restore, or provide shareholders with, rights of appraisal.	Aligned with SRI
Going Private/Dark Transactions (LBO's and Minority Squeeze-Outs)	Vote case-by-case on going private transactions, taking into account the following: offer price/premium, fairness opinion, how the deal was negotiated, conflicts of interest, other alternatives/offers considered, and non-completion risk. Vote case-by-case on "going dark" transactions, determining whether the transaction enhances shareholder value.	Refer
Private Placements / Warrants/ Convertible Debentures	Vote case-by-case on proposals regarding private placements. Vote for the private placement if it is expected that the company will file for bankruptcy if the transaction is not approved.	Refer



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Formation of Holding Company	<p>Vote case-by-case on proposals regarding the formation of a holding company, taking into consideration the reasons for the change, any financial or tax benefits, regulatory benefits, increases in capital structure, and changes to the articles of incorporation or bylaws of the company.</p> <p>Vote against the formation of a holding company if the transaction would include increases in common or preferred stock in excess of the allowable maximum, or adverse changes in shareholder rights.</p>	Aligned with SRI
Value Maximization Shareholder Proposals	Vote case-by-case on shareholder proposals seeking to maximize shareholder value by hiring a financial advisor to explore strategic alternatives, selling the company or liquidating the company and distributing the proceeds to shareholders.	Aligned with SRI

Social and Environmental Proposals

Diversity and Equity

Add Women and Minorities to Board	<p>Vote for shareholder proposals that ask the company to take steps to nominate more women and racial minorities to the board.</p> <p>Vote for shareholder proposals asking for reports on board diversity.</p> <p>Vote for shareholder proposals asking companies to adopt nomination charters or amend existing charters to include reasonable language addressing diversity.</p>	Aligned with SRI
Report on the Distribution of Stock Options by Gender and Race	Vote for shareholder proposals asking companies to report on the distribution of stock options by race and gender of the recipient.	Aligned with SRI
Prepare Report/Promote EEOC-Related Activities	<p>Vote for shareholder proposals that ask the company to report on its diversity and/or affirmative action programs.</p> <p>Vote for shareholder proposals calling for legal and regulatory compliance and public reporting related to non-discrimination, affirmative action, workplace health and safety, and labor policies and practices that effect long-term corporate performance.</p> <p>Vote for shareholder proposals requesting nondiscrimination in salary, wages and all benefits.</p> <p>Vote for shareholder proposals calling for action on equal employment opportunity and antidiscrimination.</p>	Aligned with SRI
Report on Progress Toward Glass Ceiling Commission Recommendations	<p>Vote for shareholder proposals that ask the company to report on its progress against the Glass Ceiling Commission's recommendations.</p> <p>Vote for shareholder proposals seeking to eliminate the "glass ceiling" for women and minority employees.</p>	Aligned with SRI
Prohibit Discrimination on the Basis of Sexual Orientation or Gender Identity	<p>Vote for shareholder proposals to include language in EEO statements specifically barring discrimination on the basis of sexual orientation or gender identity.</p> <p>Vote for shareholder proposals seeking reports on a company's initiatives to create a workplace free of discrimination on the basis of sexual orientation or gender identity.</p> <p>Vote against shareholder proposals that seek to eliminate protection already afforded to gay and lesbian employees.</p>	Aligned with SRI
Report on/Eliminate Use of Racial Stereotypes in Advertising	Vote for shareholder proposals seeking more careful consideration of using racial stereotypes in advertising campaigns, including preparation of a report on this issue.	Aligned with SRI
Gender Pay Gap	Vote for requests for reports on a company's pay data by gender, race, or ethnicity, or a report on a company's policies and goals to reduce any gender, race, or ethnicity pay gap.	Aligned with SRI



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Labor and Human Rights		
Codes of Conduct and Vendor Standards	<p>Vote for shareholder proposals to implement human rights standards and workplace codes of conduct.</p> <p>Vote for shareholder proposals calling for the implementation and reporting on ILO codes of conduct, SA 8000 Standards, or the Global Sullivan Principles.</p> <p>Vote for shareholder proposals that call for the adoption of principles or codes of conduct relating to company investments in countries with patterns of human rights abuses (e.g. Northern Ireland, Burma, former Soviet Union, and China).</p> <p>Vote for shareholder proposals that call for independent monitoring programs in conjunction with local and respected religious and human rights groups to monitor supplier and licensee compliance with codes.</p> <p>Vote for shareholder proposals that seek publication of a "Code of Conduct" to the company's foreign suppliers and licensees, requiring they satisfy all applicable standards and laws protecting employees' wages, benefits, working conditions, freedom of association, and other rights.</p> <p>Vote for proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process.</p> <p>Vote for shareholder proposals seeking reports on, or the adoption of, vendor standards including: reporting on incentives to encourage suppliers to raise standards rather than terminate contracts and providing public disclosure of contract supplier reviews on a regular basis.</p> <p>Vote for shareholder proposals to adopt labor standards for foreign and domestic suppliers to ensure that the company will not do business with foreign suppliers that manufacture products for sale in the U.S. using forced labor, child labor, or that fail to comply with applicable laws protecting employee's wages and working conditions.</p>	Aligned with SRI
Adopt/Report on Holy Land Principles	Vote for shareholder proposals to report on or implement the Holy Land Principles.	Aligned with SRI
Community Impact Assessment / Indigenous Peoples' Rights	Vote for shareholder proposals to prepare reports on a company's environmental and health impact on communities.	Aligned with SRI
Report on Risks of Outsourcing	Vote for shareholders proposals asking for companies to report on the risks associated with outsourcing or off-shoring.	Aligned with SRI
Report on the Impact of Health Pandemics on Company Operations	Vote for shareholder proposals asking for companies to report on the impact of pandemics, such as HIV/AIDS, malaria, and tuberculosis, on their business strategies.	Aligned with SRI
Operations in High Risk Markets	<p>Reports on Operations in Burma/Myanmar</p> <p>Vote for shareholder proposals to adopt labor standards in connection with involvement in Burma.</p> <p>Vote for shareholder proposals seeking reports on Burmese operations and reports on costs of continued involvement in the country.</p> <p>Vote shareholder proposals to pull out of Burma on a case-by-case basis.</p>	Aligned with SRI
	<p>Reports on Operations in China</p> <p>Vote for shareholder proposals requesting more disclosure on a company's involvement in China.</p> <p>Vote on a case-by-case basis shareholder proposals that ask a company to terminate a project or investment in China.</p>	Aligned with SRI Refer
	<p>Product Sales to Repressive Regimes</p> <p>Vote case-by-case on shareholder proposals requesting that companies cease product sales to repressive regimes that can be used to violate human rights.</p> <p>Vote for proposals to report on company efforts to reduce the likelihood of product abuses in this manner.</p>	Refer Aligned with SRI
	<p>Internet Privacy/ Censorship and Data Security</p> <p>Vote for resolutions requesting the disclosure and implementation of Internet privacy and censorship policies and procedures.</p>	Aligned with SRI



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Disclosure on Plant Closings	Vote for shareholder proposals seeking greater disclosure on plant closing criteria if the company has not provided such information.	Aligned with SRI
Mandatory Arbitration	Generally vote for requests for a report on a company's use of mandatory arbitration on employment-related claims.	So610 Generally vote for requests for a report on a company's use of mandatory arbitration on employment-related claims.
Sexual Harassment	Generally vote for requests for a report on company actions taken to strengthen policies and oversight to prevent workplace sexual harassment, or a report on risks posed by a company's failure to prevent workplace sexual harassment.	So19 Generally vote for requests for a report on company actions taken to strengthen policies and oversight to prevent workplace sexual harassment, or a report on risks posed by a company's failure to prevent workplace sexual harassment.
Environment		
Environmental/ Sustainability Reports	<p>Vote for shareholder proposals seeking greater disclosure on the company's environmental practices, and/or environmental risks and liabilities.</p> <p>Vote for shareholder proposals asking companies to report in accordance with the Global Reporting Initiative (GRI).</p> <p>Vote for shareholder proposals to prepare a sustainability report.</p> <p>Vote for shareholder proposals to study or implement the CERES roadmap to sustainability principles.</p> <p>Vote for shareholder proposals to study or implement the Equator Principles.</p>	Aligned with SRI
Climate Change/Greenhouse Gas Emissions	<p>Vote for shareholder proposals seeking information on the financial, physical, or regulatory risks it faces related to climate change on its operations and investments, or on how the company identifies, measures, and manage such risks.</p> <p>Vote for shareholder proposals calling for the reduction of GHG or adoption of GHG goals in products and operations.</p> <p>Vote for shareholder proposals seeking reports on responses to regulatory and public pressures surrounding climate change, and for disclosure of research that aided in setting company policies around climate change.</p> <p>Vote for shareholder proposals requesting a report on greenhouse gas emissions from company operations and/or products.</p>	Aligned with SRI
Invest in Clean/ Renewable Energy	<p>Vote for shareholder proposals seeking the preparation of a report on a company's activities related to the development of renewable energy sources.</p> <p>Vote for shareholder proposals seeking increased investment in renewable energy sources unless the terms of the resolution are overly restrictive.</p>	Aligned with SRI
Energy Efficiency	Vote for shareholder proposals requesting a report on company energy efficiency policies and/or goals.	Aligned with SRI



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Operations in Protected/Sensitive Areas	<p>Vote for requests for reports on potential environmental damage as a result of company operations in protected regions.</p> <p>Vote for shareholder proposals asking companies to prepare a feasibility report or to adopt a policy not to mine, drill, or log in environmentally sensitive areas.</p> <p>Vote for shareholder proposals seeking to prohibit or reduce the sale of products manufactured from materials extracted from environmentally sensitive areas such as old growth forests.</p>	Aligned with SRI
Hydraulic Fracturing	Vote for requests seeking greater transparency on the practice of hydraulic fracturing and its associated risks.	Aligned with SRI
Phase Out Chlorine-Based Chemicals	<p>Vote for shareholder proposals to prepare a report on the phase-out of chlorine bleaching in paper production.</p> <p>Vote on a case-by-case basis on shareholder proposals asking companies to cease or phase-out the use of chlorine bleaching.</p>	Aligned with SRI
Land Procurement and Development	Vote for shareholder proposals requesting that companies report on or adopt policies for land procurement and utilize the policies in their decision-making.	Aligned with SRI
Report on the Sustainability of Concentrated Area Feeding Operations (CAFO)	Vote for requests that companies report on the sustainability and the environmental impacts of both company-owned and contract livestock operations.	Aligned with SRI
Adopt a Comprehensive Recycling Policy	<p>Vote for shareholder proposals requesting the preparation of a report on the company's recycling efforts.</p> <p>Vote for shareholder proposals that ask companies to increase their recycling efforts or to adopt a formal recycling policy.</p>	Aligned with SRI
Nuclear Energy	<p>Vote for shareholder proposals seeking the preparation of a report on a company's nuclear energy procedures.</p> <p>Vote case-by-case on proposals that ask the company to cease the production of nuclear power.</p>	Aligned with SRI For
Water Use	<p>Vote for shareholder proposals seeking the preparation of a report on a company's risks linked to water use.</p> <p>Vote for resolutions requesting companies to promote the "human right to water" as articulated by the United Nations.</p> <p>Vote for shareholder proposals requesting that companies report on or adopt policies for water use that incorporate social and environmental factors.</p>	
Kyoto Protocol Compliance	Vote for shareholder proposals asking companies to review and report on how companies will meet GHG reduction targets of the Kyoto-compliant countries in which they operate.	Aligned with SRI
Health and Safety		
Toxic Materials	<p>Vote for shareholder proposals asking companies to report on policies and activities to ensure product safety.</p> <p>Vote for shareholder proposals asking companies to disclose annual expenditures relating to the promotion and/or environmental cleanup of toxins.</p> <p>Vote for shareholder proposals asking companies to report on the feasibility of removing, or substituting with safer alternatives, all "harmful" ingredients used in company products.</p>	Aligned with SRI
Product Safety	<p>Generally vote for proposals requesting the company to report on or adopt consumer product safety policies and initiatives.</p> <p>Generally vote for proposals requesting the study, adoption and/or implementation of consumer product safety programs in the company's supply chain.</p>	For



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Workplace/Facility Safety	Vote for shareholder proposals requesting workplace safety reports, including reports on accident risk reduction efforts.	Aligned with SRI
	Vote for shareholder proposals requesting companies report on or implement procedures associated with their operations and/or facilities on a case-by-case basis.	Refer
Report on Handgun Safety Initiatives	Vote for shareholder proposals asking the company to report on its efforts to promote handgun safety.	Aligned with SRI
	Vote for shareholder proposals asking the company to stop the sale of handguns and accessories.	
Phase-Out or Label Products Containing Genetically Engineered Ingredients	Vote for shareholder proposals to label products that contain genetically engineered products or products from cloned animals.	Aligned with SRI
	Vote for shareholder proposals that ask the company to phase out the use of genetically engineered ingredients in their products.	
	Vote for shareholder proposals that ask the company to report on the use of genetically engineered organisms in their products.	
	Vote for shareholder proposals asking for reports on the financial, legal, and operational risks posed by the use of genetically engineered organisms.	
Tobacco-Related Proposals	Vote for shareholder proposals seeking to limit the sale of tobacco products to children.	Aligned with SRI
	Vote for shareholder proposals asking producers of tobacco product components (such as filters, adhesives, flavorings, and paper products) to halt sales to tobacco companies.	
	Vote for shareholder proposals that ask restaurants to adopt smoke-free policies and that ask tobacco companies to support smoke-free legislation.	
	Vote for shareholder proposals seeking a report on a tobacco company's advertising approach.	
	Vote for shareholder proposals at insurance companies to cease investment in tobacco companies.	
	Vote for proposals at producers of cigarette components calling for a report outlining the risks and potential liabilities of the production of these components.	
	Vote for proposals calling for tobacco companies to cease the production of tobacco products.	
	Vote for shareholder proposals asking companies to stop all advertising, marketing and sale of cigarettes using the terms "light," "ultra-light," "mild," and other similar words and/or colors.	
Vote for shareholder proposals asking companies to increase health warnings on cigarette smoking. (i.e.: information for pregnant women, "Canadian Style" warnings, filter safety).		
Adopt Policy/Report on Drug Pricing	Vote for shareholder proposals to prepare a report on drug pricing.	Aligned with SRI
	Vote for shareholder proposals to adopt a formal policy on drug pricing.	
	Vote for shareholder proposals that call on companies to develop a policy to provide affordable HIV, AIDS, tuberculosis and malaria drugs in third-world nations.	
	Vote for proposals asking for reports on the economic effects and legal risks of limiting pharmaceutical products to Canada or certain wholesalers.	
	Vote case-by-case proposals requesting that companies adopt policies not to constrain prescription drug re-importation by limiting supplies to foreign markets.	Refer
Government and Military		
Prepare Report to Renounce Future Landmine Production	Vote for shareholder proposals seeking a report on the renouncement of future landmine production.	Aligned with SRI
Prepare Report on Foreign Military Sales	Vote for shareholder proposals to report on foreign military sales or offset agreements.	Aligned with SRI
	Vote case-by-case on proposals that call for outright restrictions on foreign military sales.	Refer



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Depleted Uranium/ Nuclear Weapons	Vote for shareholder proposals requesting a report on involvement, policies, and procedures related to depleted uranium and nuclear weapons.	Aligned with SRI
Adopt Ethical Criteria for Weapons Contracts	Vote for shareholder proposals asking companies to review and amend, if necessary, the company's code of conduct and statements of ethical criteria for military production-related contract bids, awards and execution.	Aligned with SRI
Animal Welfare		
Animal Rights/Testing	Vote for shareholder proposals that seek to limit unnecessary animal testing where alternative testing methods are feasible or not barred by law. Vote for shareholder proposals that ask companies to adopt and/or report on company animal welfare standards or animal welfare-related risks. Vote for shareholder proposals asking companies to report on the operational costs and liabilities associated with selling animals. Vote for shareholder proposals to eliminate cruel product testing methods. Vote for shareholder proposals that seek to monitor, limit, report, or eliminate outsourcing animal testing to overseas laboratories. Vote for shareholder proposals to publicly adopt or adhere to an animal welfare policy at both company and contracted laboratory levels. Vote for shareholder proposals to evaluate, adopt or require suppliers to adopt CAK and/or CAS slaughter methods.	Aligned with SRI Refer Aligned with SRI
Political and Charitable Giving		
Lobbying Efforts	Vote for shareholder proposals asking companies to review and report on how companies utilize lobbying efforts to challenge scientific research and governmental legislation. Vote for proposals requesting information on a company's lobbying (including direct, indirect, and grassroots lobbying) activities, policies, or procedures.	Aligned with SRI
Political Contributions/ Non-Partisanship	Vote for proposals calling for a company to disclose its political and trade association contributions, unless the terms of the proposal are unduly restrictive. Vote for proposals calling for a company to maintain a policy of non-partisanship. Vote against proposals calling for a company to refrain from making any political contributions.	For Aligned with SRI For (So807)
Charitable Contributions	Generally vote for shareholder resolutions seeking enhanced transparency on corporate philanthropy. Vote against shareholder proposals imposing charitable giving criteria or requiring shareholder ratification of grants. Vote against shareholder proposals requesting that companies prohibit charitable contributions.	For Aligned with SRI Aligned with SRI
Disclosure on Prior Government Service	Vote for shareholder proposals calling for the disclosure of prior government service of the company's key executives.	Aligned with SRI



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Consumer Lending and Economic Development		
Adopt Policy/Report on Predatory Lending Practices	Vote for shareholder proposals seeking the development of a policy or preparation of a report to guard against predatory lending practices.	Aligned with SRI
Disclosure on Credit in Developing Countries (LDCs) or Forgive LDC Debt	Vote for shareholder proposals asking for disclosure on lending practices in developing countries, unless the company has demonstrated a clear proactive record on the issue.	Aligned with SRI
	Vote against shareholder proposals asking banks to forgive loans outright.	Refer
	Vote case-by-case on shareholder proposals asking for loan forgiveness at banks that have failed to make reasonable provisions for non-performing loans.	Refer
	Vote for proposals to restructure and extend the terms of non-performing loans.	Aligned with SRI
Community Investing	Vote for proposals that seek a policy review or report addressing the company's community investing efforts.	Aligned with SRI
Miscellaneous		
Adult Entertainment	Vote for shareholder proposals that seek a review of the company's involvement with pornography.	Aligned with SRI
Abortion/Right to Life Issues	Abstain on shareholder proposals that address right to life issues.	Refer (So706)
Anti-Social Proposals	Vote against shareholder proposals that do not seek to ultimately advance the goals of the social investment community.	Refer (So746, So911, So913)
	Vote case-by-case on anti-social shareholder proposals seeking a review or report on the company's charitable contributions.	Refer (So806)
Violence and Adult Themes in Video Games	Vote for shareholder proposals asking for reports on company policies related to the sale of mature-rated video games to children and teens.	Aligned with SRI
Mutual Fund Proxies		
Election of Trustees and Directors	Vote case-by-case on the election of directors and trustees, following the same guidelines for uncontested directors for public company shareholder meetings.	Aligned with SRI
Investment Advisory Agreement	Votes on investment advisory agreements should be evaluated on a case-by-case basis, considering the following factors: (i) Proposed and current fee schedules; (ii) Fund category/investment objective; (iii) Performance benchmarks; (iv) Share price performance as compared with peers; (v) Resulting fees relative to peers; (vi) Assignments (where the advisor undergoes a change of control).	Aligned with SRI
Changing a Fundamental Restriction to a Non-fundamental Restriction	Vote case-by-case on proposals to change a fundamental restriction to a non-fundamental restriction, considering the following factors: (i) The fund's target investments; (ii) The reasons given by the fund for the change; and (iii) The projected impact of the change on the portfolio.	Aligned with SRI
Change Fundamental Investment Objective to Non-fundamental	Vote against proposals to change a fund's fundamental investment objective to non-fundamental.	Aligned with SRI
Distribution Agreements	Votes on distribution agreements should be evaluated on a case-by-case basis, considering the following factors: (i) Fees charged to comparably sized funds with similar objectives; (ii) The proposed distributor's reputation and past performance; (iii) The competitiveness of the fund in the industry; and (iv) The terms of the agreement	Refer



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Approving New Classes or Series of Shares	Vote for the establishment of new classes or series of shares	Aligned with SRI
Convert Closed-End Fund to Open-End Fund	Vote case-by-case on shareholder proposals to convert a closed-end fund to an open-end fund, considering the following factors: (i) Past performance as a closed-end fund; (ii) Market in which the fund invests; (iii) Measures taken by the board to address the discount; and (iv) Past shareholder activism, board activity, and votes on related proposals.	Aligned with SRI
Proxy Contests	Vote case-by-case on proxy contests.	Refer
Preferred Stock Proposals	Vote case-by-case on the authorization for or increase in preferred shares.	Aligned with SRI
Mergers	Vote case-by-case on merger proposals.	Refer
	Vote for proposals authorizing the board to issue shares below Net Asset Value (NAV) if: <i>The proposal to allow share issuances below NAV has an expiration date that is less than one year from the date shareholders approve the underlying proposal, as required under the Investment Company Act of 1940;</i> <i>A majority of the independent directors who have no financial interest in the sale have made a determination as to whether such sale would be in the best interests of the company and its shareholders prior to selling shares below NAV; and</i> <i>The company has demonstrated responsible past use of share issuances by either:</i> <ul style="list-style-type: none"> • <i>Outperforming peers in its 8-digit GICS group as measured by one- and three-year median TSRs; or</i> • <i>Providing disclosure that its past share issuances were priced at levels that resulted in only small or moderate discounts to NAV and economic dilution to existing non-participating shareholder.</i> 	Aligned with SRI
Change in Fund's Subclassification	Vote case-by-case on changes in a fund's sub-classification, considering the following factors: (i) potential competitiveness, (ii) current and potential returns, (iii) risk of concentration, and (iv) consolidation in target industry.	Aligned with SRI
Change in the Domicile of a Fund	Vote case-by-case on re-incorporations, considering the following factors: (i) regulations of both states; (ii) required fundamental policies of both states; (iii) the increased flexibility available	Refer
Disposition of Assets/Termination/Liquidation	Vote case-by-case on proposals to dispose of assets, to terminate or liquidate, considering the following factors: (i) strategies employed to salvage the company, (ii) the fund's past performance, (iii) the terms of the liquidation.	Aligned with SRI
Authorizing the Board to Hire and Terminate Subadvisers Without Shareholder Approval	Vote against proposals authorizing the board to hire or terminate sub advisers without shareholder approval if the investment adviser currently employs only one sub adviser.	Aligned with SRI
Name Change Proposals	Vote case-by-case on name change proposals, considering the following factors: (i) political/economic changes in the target market, (ii) consolidation in the target market, and (iii) current asset composition.	Refer
1940 Act Policies	Vote case-by-case on policies under the Investment Advisor Act of 1940, considering the following factors: (i) potential competitiveness, (ii) regulatory developments, (iii) current and potential returns, and (iv) current and potential risk. Generally vote for these amendments as long as the proposed changes do not fundamentally alter the investment focus of the fund and do comply with the current SEC interpretation.	Aligned with SRI
Closed End Funds - Unilateral Opt-In to Control Share Acquisition Statutes	For closed-end management investment companies (CEFs), vote against or withhold from nominating/governance committee members (or other directors on a case-by-case basis) at CEFs that have not provided a compelling rationale for opting-in to a Control Share Acquisition statute, nor submitted a by-law amendment to a shareholder vote.	Refer

