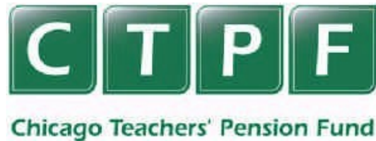

Proxy Voting

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Purpose

To manage the CTPF Proxy Voting rights with the same care, skill, diligence and prudence as is exercised in managing other Fund assets in accordance with all applicable statutes and consistent with Board policy.

I. Trustee Statement on Proxy Voting Policy

This statement sets forth the policy adopted by the Board of Trustees ("Board" or "Trustees") of the Public School Teachers' Pension and Retirement Fund of Chicago ("CTPF" or the "Fund") for the voting of stock proxies by the Fund's designated fiduciary ("Voting Fiduciary"). A Voting Fiduciary shall mean any investment manager who is signatory to an Investment Management Agreement ("IMA") to acquire, manage or dispose of plan assets, and who is responsible as a fiduciary under the IMA for the voting of proxies. The Voting Fiduciary is expected to take these proxy voting guidelines into consideration in making voting decisions. Additionally, the Trustees require that the Investment Manager provide a copy of the Voting Fiduciary's own proxy voting guidelines to compare with the Guidelines in this Policy Statement. The IMA shall be amended to adopt and incorporate this Policy Statement by reference.

The Trustees, on behalf of CTPF and its participants and beneficiaries, affirm their belief that the exercise of shareholder rights pursuant to the CTPF Proxy Voting Policy will have a positive economic value on CTPF investments that outweighs the cost, if any, of exercising such rights. The Executive Director, Deputy Executive Director, Director of Investments, and Investment Staff are instructed to monitor and encourage investment managers to vote in accordance with the Policy. The staff is to report to the Board annually on proxy voting and policy compliance.

As a result of the affirmation above, the Fund has adopted the following Proxy Voting Themes and Guidelines that demonstrate the core values of CTPF.

- **Board & Employee Diversity**
- **Corporate Governance (Board Elections & Oversight)**
- **Director, Executive, and Employee Compensation**
- **Political and Charitable Contribution**
- **Transparency and Disclosure Compliance**

The U.S. Department of Labor (DOL) has stated that the fiduciary act of managing plan assets that are shares of corporate stock includes the voting of proxies appurtenant to those shares of stock.

Proxy voting rights are valuable Fund assets and therefore the management of those proxies must be exercised in accordance with the Trustees' and the investment manager's fiduciary duties of loyalty and prudence. The Guidelines, therefore, have been crafted to meet the Trustees' obligations as fiduciaries and will be employed by the Trustees to monitor the Voting Fiduciary's

proxy voting procedures and decisions.

The duty of loyalty requires that the Voting Fiduciary exercise proxy voting authority solely in the interests of participants and beneficiaries and for the exclusive purpose of providing plan benefits to participants and beneficiaries. The Voting Fiduciary is not permitted to subordinate the interest of participants and beneficiaries to unrelated objectives.

The duty of prudence requires that proxy voting authority be exercised with the care, skill, prudence, and diligence that a similarly situated prudent person knowledgeable in such matters would exercise. Thus, in making proxy voting decisions, issues shall be reviewed case-by-case with final decisions based on the merits of each. The Voting Fiduciary should seek out information from a variety of sources to determine what is in the long-term economic best interests of plan participants and beneficiaries. A Voting Fiduciary that fails to vote without taking reasonable steps to ensure that the proxies for which the Fiduciary is responsible are received, or casts a vote without considering its impact, or votes arbitrarily with management, would violate this duty.

The duties of loyalty and prudence require the Voting Fiduciary to make voting decisions consistent with the "economic best interests" of plan participants and beneficiaries. This does not mean that the Voting Fiduciary is required to maximize short-term gains if such a decision is not consistent with the long-term economic best interest of the participants and beneficiaries. Some issues that may have an impact on the long-term economic best interests of participants and beneficiaries are:

- The independence and expertise of candidates for the corporation's board of directors,
- Assuring that the board has sufficient information to carry out its responsibility to monitor management,
- The appropriateness of executive compensation,
- The corporation's policy regarding mergers and acquisitions,
- The extent of debt financing and capitalization,
- The nature of long-term business plans,
- The corporation's investment in training to develop its work force, and
- Other workplace practices and financial and non-financial measures of corporate performances that are reasonably likely to affect the economic value of the plan's assets.

The Voting Fiduciary is expected to weigh certain factors in determining how to vote, consistent with its fiduciary obligations and the factors indicated by these Guidelines. When any issue arises in the context of an impending or ongoing change in control of a company, a more rigorous review through a thorough cost/benefit analysis is called for to fulfill the applicable fiduciary standards. In this context, the analysis must consider the long-term impact of the business plans of the competing parties.

II. Reporting Requirements

To demonstrate compliance with fiduciary obligations, and so that the Trustees may fulfill their fiduciary duty to monitor the voting decisions they have delegated, the Voting Fiduciary will document and report to the Trustees and Fund investment staff on an annual basis:

A. The proxy voting guidelines considered when casting votes.

B. The action taken on every proxy cast on behalf of the Trustees.

C. Written justification for the following votes: (1) Any proxy vote on significant or controversial proposals including, but not limited to, such issues as mergers, restructurings, board of directors issues that may have significant impact on the company, major shareholder proposals; (2) any proxy vote that is not covered by the Guidelines; or (3) any particular proxy vote that is arguably counter to the Guidelines. In addition, the Voting Fiduciary should provide, when available, the overall outcome of such votes.

D. In any situation where the Voting Fiduciary has refrained from voting, the Voting Fiduciary shall provide the Trustees with documentation of its cost-benefit analysis showing that the costs of voting exceeded the expected economic benefits of voting.

The Voting Fiduciary shall also fulfill the fiduciary duty to take reasonable steps to ensure that the proxies for all stocks owned as of the record date are actually received and acted upon. The Voting Fiduciary shall make the procedures used in this regard known to the Trustees and to staff.

III. Revocation of Voting Authority

At any time whatsoever and without restriction, the Trustees may, upon 60 days' written notice, revoke the Voting Fiduciary's voting authorization. Upon the revocation of the voting authorization, unless other written arrangements are made, the Voting Fiduciary will immediately forward proxy material received to the Trustees or their designee.

IV. Trustee Guideline Positions on Proxy Voting

In reviewing proxy voting issues and deciding how to vote proxies, the Voting Fiduciary shall take into consideration the CTPF Proxy Voting Themes and the general position of the Trustees, as elaborated below, on the issues covered by these Guidelines. Although the positions discussed below have been articulated under the framework of domestic law and corporate governance, to the extent feasible and consistent with applicable foreign law, these Trustee positions shall also be considered when exercising shareholder rights in connection with

international investments.

These Guidelines recognize that the ultimate exercise of judgment on a given vote is the responsibility of the Voting Fiduciary. Accordingly, whenever the following position summaries speak in terms of “should”, or use similar language, the Trustees do not intend to usurp the Voting Fiduciary’s responsibility, but, rather, to state the Trustees’ reasoned view that the circumstances described generally warrant the position and/or action recommended.

A. Board of Directors

Corporate directors have a fiduciary duty to shareholders and the corporation they serve. Shareholders elect corporate directors to hire, monitor, compensate and, if necessary, terminate senior management. For directors to effectively discharge these responsibilities, directors must be highly qualified, diligent in the performance of their duties, committed to high ethical standards, and be independent of the company management they oversee. The Trustees expect corporate boards to be composed of qualified individuals, at least two-thirds of whom are independent, who are open to shareholder input on issues facing the company, who challenge management with tough questions and goals, and who take action when needed to maximize the long-term value of the corporation. Additionally, the Trustees believe that having an independent director serve as chairperson enhances the board’s independence and effectiveness.

1. Election of Directors
When voting on directors, the Voting Fiduciary should consider board independence as well as the long- term performance of both the directors and the company, since these factors tend to reflect on the directors’ ability, both individually and as a group, to contribute to a company’s long-term value. These factors should also be considered in situations where the election is contested.

The Voting Fiduciary must consider taking appropriate actions if an analysis of the factors identified below indicates that the board or candidate has not served in the long-term economic best interests of plan participants and beneficiaries. The range of actions available to shareholders include, but are not limited to, withholding votes or voting “no” on some or all of the uncontested management slate, meeting with management or director candidates, and supporting shareholder resolutions designed to address these issues. Voting against a director nominee is one of the strongest means for shareholders to express dissatisfaction with a company’s policies or with a particular director’s accountability.

2. Board Diversity-Proxy Access

When voting on directors, the Fiduciary should consider board diversity. There is a growing consensus that the investor needs additional tools to hold board of directors accountable for many performance factors, including the level of board diversity and board composition. Caucasian and male directors continue to hold a significantly unproportioned share of public company board seats and board composition has been slow to change, despite the increased attention on the topic. Organizations should allow shareholders access to the company's proxy statement and to the director nomination process.

The Trustees believe that the capability to nominate directors should be a shareowner tight and a key mechanism to promote more diverse, independent, and accountable boards. Further, the Trustees believe that a long –term investor or group of investors owning in aggregate at least three percent of the organization's voting stock for three years should be able to nominate a minority of the directors on the company's proxy statement.

B. Auditors

Independent auditors play an essential role in the capital markets, helping to protect the integrity and reliability of corporate financial reporting. The independent audit and resulting opinion letter are intended to enhance investors' confidence that the financial statements on which they rely provide an accurate picture of a company's financial condition. Accounting scandals at companies such as Enron, WorldCom and Tyco illustrate the enormous consequences for investors when this audit process breaks down, and have focused investors' attention on the conflicts of interest that can compromise auditor independence.

The Trustees believe that auditor independence is essential for the rendering of objective opinions on which investors can rely. Further, the Trustees believe that a company's engagement of its audit firm to perform non-audit services (audit-related, tax and all other services) may compromise the independence of the audit firm, or give rise to questions and concerns about the integrity and reliability of the auditor's work. Both the type and amount of work performed for a company by its outside audit firm must be closely scrutinized. Real and perceived auditor conflicts are most serious when non-audit services constitute a significant percentage of the total fees paid by the company to the auditor, or when the nature of these non-audit services places the auditor in the role of advocate for the company or its executives (e.g. advising the company or its executives on tax avoidance strategies or executive compensation). The Trustees also believe that an audit firm's independence can be compromised when the lead auditor's tenure at a company exceeds seven years.

In response to requirements mandated by the Sarbanes-Oxley Act of 2002, the Securities

and Exchange Commission has adopted rules to enhance the independence of auditors. The new rules prohibit audit firms from providing certain non-audit services, require a company's audit committee to pre-approve audit and permitted non-audit services, and require rotation of the lead audit partner (but not the audit firm) every five years. These rules also require companies to breakout auditor fees into four categories: 1) Audit Fees, (2) Audit-Related Fees, (3) Tax Fees, and (4) All Other Fees. Companies must describe, in qualitative terms, the types of services provided under the three categories other than Audit Fees.

The Trustees prefer that companies only engage their auditors to perform audit services. The Trustees acknowledge, however, that the performance of certain non-audit services--audit-related services and routine tax services that do not involve advocacy--do not necessarily compromise the independence of the audit process. The Trustees do not believe that auditors should be permitted to provide advice on tax avoidance strategies or any other non-audit service that places the auditor in the role of advocate for the company or its executives. Potential and real threats to the independence of the audit process are possible when fees for permitted non-audit services are a significant portion of the total fees received by the audit firm.

1. Auditor Ratification

A vote against ratification of the auditor based on the above standards may raise concerns with board of director oversight, and the Voting Fiduciary should take this into consideration when evaluating the performance of the audit committee. When these concerns are serious, such as when the audit committee approves non-audit fees that are clearly excessive (i.e. more than 50% of total fees), the Voting Fiduciary may also consider withholding votes for directors serving on the audit committee.

C. Executive and Director Compensation

A reasonable and just compensation system is fundamental to the creation of long-term corporate value, and the Trustees support such compensation for all workers, including executives. However, the past decades have seen an unprecedented growth in compensation only for top executives and a dramatic increase in the ratio between the compensation of executives and rank-and-file workers. By any standard, many of today's executive compensation packages are excessive. Too often directors have awarded compensation packages that go well beyond what is required to attract and retain executives, and have rewarded even poorly performing CEOs. These executive pay excesses come at the direct expense of shareholders as well as the company and its employees. Fund fiduciaries are therefore obligated to address the issue of excessive compensation.

Executive compensation packages are generally composed of annual salary, annual incentive awards, long-term incentive awards, stock options and other forms of equity compensation. The structure of a CEO's compensation package influences whether the CEO focuses on boosting the corporation's day- to- day share price or concentrates on building long-term corporate value. For this reason, the Trustees believe that long-term incentive compensation should constitute more than 50% of an executive's total compensation, and pay-for-performance over the long-term should be the benchmark for all executive compensation plans. Pay-for-performance means rewarding executives for meeting explicit and demanding performance criteria, *and* penalizing executives (by either reducing or withholding compensation) for failures to meet these goals as determined by the board of directors.

A well-designed executive compensation plan aligns the interests of senior management with the long-term interests of the company and its shareholders. Although the board of directors has a duty to faithfully represent the interests of shareholders when setting executive pay, senior executives may inappropriately manipulate the executive compensation process to their advantage. Executive compensation policies and plans should be created by fully independent directors--with the assistance of independent compensation consultants--and approved by shareholders.

In general, the Trustees support compensation plans that provide challenging performance objectives and serve to motivate executives toward creating superior long-term corporate growth and value. The Trustees oppose plans that adversely affect shareholders, that lack clear and challenging performance goals, or that adversely affect employee productivity and morale. Particular care must be taken to ensure that executive compensation does not create incentives for executives to take on excessive risk or make short-term decisions that are detrimental to long-term investors.

1. Say-on-Pay Votes on Executive Compensation

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, companies must give their shareholders a say-on-pay advisory vote on executive compensation at least every three years. Say-on-pay votes give shareholders meaningful input on a company's approach to executive compensation without entangling them with the micromanagement of specific plans.

2. Equity Compensation Plans

The Trustees believe that the best way to align the interests of executives with shareholders is through direct stock holdings, coupled with at-risk variable compensation that is tied to explicit and challenging performance benchmarks.

Performance-vesting restricted stock both adds to executive's direct share holdings and incorporates at-risk features. Such plans should explicitly define the performance criteria for awards to senior executives and may include a variety of corporate performance measures in addition to the use of stock price targets. In addition, executives should be required to hold a substantial portion of their vested stock at least until reaching retirement age.

The Voting Fiduciary should consider that certain forms of equity compensation are problematic. For example, time-vesting restricted stock rewards executive's tenure, not their performance. Fixed-price stock option grants promise executives all of the gain of share price increases with none of the risk of share price declines. As a result, fixed-price stock options can encourage excessive risk taking by executives and can prompt executives to pursue corporate strategies designed to promote short-term stock price to the detriment of long-term corporate value. If stock options are granted to senior executives, they should include performance features such as the use of premium-priced or indexed exercise prices.

When voting on management proposals relating to equity compensation plans, including proposals to adopt, amend, add shares to or extend the term of plans, the Voting Fiduciary should consider the criteria defined below.

D. Corporate Governance and Changes in Control

Issues in this category may have a significant impact on the value of plan investments; it will vary depending on the company and circumstances involved. The Voting Fiduciary must therefore review each issue in this category case-by-case and make a decision on the long-term economic best interests of plan participants and beneficiaries.

Some of these proposals will occur in the context of an impending or ongoing contest for corporate control, while others will have a direct effect on the likelihood of material transactions such as tender offers, leveraged buyouts, mergers, acquisitions, restructurings and spin-offs. In these situations, the Voting Fiduciary must make an independent and thorough cost/benefit analysis of the likely economic result of such transactions. The analysis must consider the long-term business plans of the competing parties. In determining how to vote, the Voting Fiduciary is not required to maximize short-term gains where disrupting the stability and continuity of the corporation is not consistent with the long-term economic best interests of plan participants and beneficiaries. Measures originally designed to protect companies from takeovers may also serve to entrench management.

With regard to corporate governance proposals not in the context of an impending or ongoing contest for corporate control, the Voting Fiduciary must consider the impact of the vote on plan assets as well as the ability of shareholders to hold management accountable for corporate performance.

E. Corporate Responsibility

The Trustees believe that in order to succeed over the long-term, businesses need to treat employees, suppliers and customers well, to be environmentally responsible, and to be responsive to the communities in which they operate. A range of issues relating to how businesses fulfill these goals that can be addressed with what are called corporate responsibility or social issue shareholder proposals. In general, the fiduciary can support such shareholder proposals if they either contribute to the long-term economic best interests of plan participants and beneficiaries or will have no adverse effect on the long-term economic best interests of plan participants and beneficiaries. More disclosure from management to shareholders on most corporate responsibility issues is generally desirable. Many issues compete for management's attention, and shareholder support of proposals that request reports on particular issues may provide a useful focus.

Appendix A: Board of Directors

In voting on the entire board of directors, the Voting Fiduciary should consider the following factors:

Issue	**Supporting Statement**	**Recommendation**
Board Independence	Effective boards must exercise independent judgment, and this fundamental duty can be compromised by director conflicts of interest. To mitigate these concerns, the Trustees believe that at least two-thirds of a corporation's directors should be independent based on the independence definition of whether he or she has only one nontrivial connection to the corporation--that of his or her directorship--or is a rank-and-file employee.	For
Proxy Access	In general, the Trustees support management and shareholder proposals for proxy access with the following provisions: (1) Ownership threshold: maximum requirement no more than three percent of voting power (2) Ownership duration: maximum requirement no longer than 3years of continuous ownership for each member of the nominating group (3) Aggregation: Minimal or no limit of shareholders permitted to form a nominating group (4) Cap: Cap of nominees of generally twenty-five percent of the board. The voting fiduciary should review for reasonableness any other restrictions on the right of proxy and generally vote against proposals that are more restrictive than these guidelines.	For
Long-term Performance	The company's long-term performance as judged by relevant long-term financial and economic performance indicators (e.g. 3-year or 5-year return on equity) in comparison to a group of its peers as well as a broader market index such as the S&P 500 should yield returns that exceed return targets.	For

Actions that Negatively Impact the Company	Directors bear ultimate responsibility for the success of the company, and should be held accountable for actions taken that may not be in the company's best long-term interests. Such actions may include awarding excessive compensation to executives or themselves; approving corporate restructurings or downsizings that are not in the company's best long term interest; adopting anti-takeover provisions without shareholder approval; refusing to provide information to which the shareholders are entitled; or other actions that may not be in the company's long-term best interests.	Against
Failure to Respond to Shareholder Concerns	Directors who fail to implement an appropriate proposal (one that is in the long- term best interests of shareholders and is consistent with these Guidelines) that has been approved by a majority of shareholders in the past 12 months. To the extent that the information is available to the Voting Fiduciary, the fiduciary may take into account whether the company has taken, or has agreed to take other actions to address the underlying concern raised by the proposal or has provided a persuasive explanation to shareholders for its rationale for not implementing the action called for by the proposal.	Against
Responsiveness to other important Corporate Constituents, such as Employees and Communities	Responsive to important corporate constituents such as their employees and the diverse communities in which they operate. When one of these important corporate constituencies makes its views known, it may indicate significant problems that are likely to affect the corporation's performance, and the Voting Fiduciary should give these concerns special consideration when evaluating director performance.	For

Independence of Key Committees	Companies that have audit, nominating and compensation committees that are entirely composed of independent directors.	For
Performance of Key Committees	The fiduciaries taking into consideration the performance of the key committees (audit, compensation and nominating committees), particularly with regard to advancing and upholding the principles established in these Guidelines. Factors to consider include specific actions of the committees and the quality of committee disclosure.	For
Poor Attendance	Directors who fail to attend at least 75% of board and committee meetings without adequate justification.	Against
Director Service on too many other Boards	CEO's who serve on boards at two or more other public companies besides their own, Non-CEO directors who serve on more than five public companies.	Against
Unacceptable Director Performance on Other Boards	Director whose performance on other public company boards has been unacceptable. Such directors are not qualified to represent shareholders on any public company boards unless the individual director is able to provide shareholders with a persuasive explanation of what he or she did to protect shareholders in the particular situation.	Against
Excessive Board and Committee Size	A board that is too large may function inefficiently; a board that is too small may allow the CEO to exert greater force. Proposals allowing the board to set board size may be supported if the board sets a range that it will not exceed. Any proposal for fewer than five directors or more than 15 generally should not be supported.	Against

Annual Election of Entire Board	The Voting Fiduciary's analysis should consider that classified or staggered term boards may reduce the ability of shareholders to annually hold directors accountable versus the potential benefit of discouraging transactions that may be detrimental to the enhancement of long-term corporate value. In conducting this analysis, the Voting Fiduciary should consider the board's independence, director and company long-term performance factors, and whether the company has additional takeover defenses in place.	For
Director Liability and Director and Officer Indemnification	A company may have a more difficult time attracting and retaining directors if they are subject to personal monetary liability, but the Trustees believe the greater responsibility and authority of directors justifies holding them accountable for their actions. Directors should prohibit the amendment of a company's charter to eliminate or limit the personal liability of directors to the company and its shareholders for monetary damages for any breach of fiduciary duty to the fullest extent permitted by state law. The Voting Fiduciary may support liability-limiting proposals when the company persuasively argues that such action is necessary to attract and retain directors, but the Voting Fiduciary may generally oppose liability-limiting proposals.	For
	The Voting Fiduciary should oppose proposals to reduce or eliminate directors' personal liability when litigation is pending against current board members. Shareholder proposals may seek to provide for personal monetary liability for fiduciary breaches arising from gross negligence and should generally be supported to strengthen the call for promoting personal director accountability.	Against

	Indemnification is the payment by a company of the expenses of directors who become involved in litigation as a result of their service to a company. Proposals to indemnify a company's directors differ from those to eliminate or reduce their liability because with indemnification directors may still be liable for an act or omission, but the company will bear the expense. Subject to a satisfactory review of the board accountability factors detailed above, the Voting Fiduciary may support these proposals when the company persuasively argues that such action is necessary to attract and retain directors. But the Voting Fiduciary generally should oppose indemnification when it is being proposed to insulate directors from actions they have already taken.	For
Majority Voting for Director Elections	The Voting Fiduciary should support proposals to require that director nominees shall be elected by the affirmative vote of the majority of votes cast at an annual meeting of shareholders. A plurality vote standard should be retained for contested director elections, that is, when the number of director nominees exceeds the number of board seats. A majority vote standard for uncontested director elections helps make directors more accountable to shareholders by giving shareholders a meaningful opportunity to vote against individual directors or the board as a whole. In contrast, under plurality voting in uncontested elections, director nominees may be elected by as little as one vote.	For
Independent Board Chair Requirement	The Voting Fiduciary should support shareholder proposals seeking to require that an independent director who has not served as an executive at the company shall serve as chair of the board of directors. The primary purpose of the board of directors is to protect shareholders' interests by providing	For

	independent oversight of management including the CEO. The board chair's duty to oversee management is compromised when the positions of board chair and CEO are combined, and the Trustees fear that such an arrangement may give the CEO undue power to determine corporate policy. Having an independent director serve as board chair promotes the independent leadership of the board and a more objective evaluation of management.	
Establishing a Lead Independent Director	At companies that have not adopted an independent board chairperson, the Voting Fiduciary should support the establishment of a lead independent director. In addition to serving as the presiding director at meetings of the board's independent directors, a lead director is responsible for coordinating the activities of the independent directors. At a minimum, a lead independent director helps to set the schedule and agenda for Board meetings, monitors the quality, quantity and timeliness of the flow of information from management, and has the ability to hire independent consultants necessary for the independent directors to effectively and responsibly perform their duties.	For
Greater Board Independence	Independence is critical for directors to carry out their duties to select, monitor and compensate management, and the Voting Fiduciary should generally support efforts to enhance board of director independence. This includes, but is not limited to proposals requiring (1) that at least two-thirds of a company's directors be independent; (2) that 100% of the directors on key committees (nominating, compensation and audit) be independent; (3) that the company adopt a stricter definition of director independence consistent with the definition of director independence under "Election of Directors" above; or (4) that the company provide expanded disclosure of potential conflicts involving directors.	For

Term Limit Proposals	The Voting Fiduciary should vote against proposals to limit terms of directors because they may result in prohibiting the service of directors who significantly contribute to the company's success and represent shareholders' interests effectively.	Against
Board Diversity	Gender and ethnic diversity are important components on a company's board and in its executive offices. Diversity brings different perspectives to a board that in turn leads to a more varied approach to board issues. A more diverse board of qualified directors benefits the company and shareholders in a direct and significant manner. The Trustees believe that increasing diversity in the boardroom and in executive offices to better reflect a company's workforce, customers, and community enhances shareholder value. The Voting Fiduciary should: • Support proposals asking the board to make greater efforts to search for qualified female, minority and disabled candidates for nomination to the board of directors; • Support reporting to shareholders on the company's efforts to increase diversity on its board; • Support proposals asking the board to implement hiring programs that reflect the nation's diversity and the board's commitment to increase the diversity of its employees and suppliers year over year. Another example of such diversity would be employee shareholders, and the Voting Fiduciary should support proposals that would allow for such representation.	For

Role of Directors in Business Development	Shareholders have introduced proposals asking for clarification on the role the board of directors, as representatives of the shareholders, play in developing business. The fiduciary should support proposals asking for such additional disclosure.	For
Succession Planning	Planning for the succession of the CEO is one of the primary responsibilities of boards of directors. The Voting Fiduciary should support proposals that encourage companies to adopt and disclose their succession planning policies. These policies should address both long-term and short-term succession scenarios as well as the company's leadership development programs, including the identification of internal candidates, especially minorities, the disabled, veterans and women for the CEO role.	For

Appendix B: Auditors

The Voting Fiduciary should consider voting against ratification of the auditors when:

Issue	Supporting Statement	Recommendation
Auditor Ratification	There is reason to believe that the company's auditors have become complacent in the performance of their auditing duties.	Against
Tax Avoidance Strategy	The auditor provides advice on tax avoidance strategies, as disclosed in the qualitative discussion of tax services, or any other tax or other service that the Voting Fiduciary believes places the auditor in the role of advocate for the company or its executives.	Against
Financial Motivation	The fees for non-audit services (audit-related, tax services and all other fees) account for a significant percentage of total fees. The Voting Fiduciary should be concerned when fees for non- audit services are more than 25% of the total fees received by the auditor, and non-audit fees that exceed 50% of total fees are a serious threat to auditor independence. In determining the appropriate threshold at a particular company, the Voting Fiduciary should consider the nature of the non-audit services provided (e.g. any level of "all other fees" is considered problematic) and the level of detail provided in the qualitative descriptions of non-audit fees	Against

Appendix C: Executive and Director Compensation

The Voting Fiduciary should consider the following factors when considering whether or not to approve a company's advisory vote on executive compensation:

Issue	Supporting Statement	Recommendation
Say-On-Pay Executive Compensation	Executive pay is linked to long-term, sustainable performance and the company has disclosed the specific performance metrics that are used to set pay levels.	For
	The company has poor executive pay practices such as non- peer standard golden parachutes, executive perks, tax gross-ups and/or guaranteed bonuses.	Against
	The company manipulates its equity compensation plans through stock option backdating, spring-loading, and re-pricing, or used time-vesting instead of performance-vesting equity awards.	Against
	The company established meaningful stock holding requirements for executives, and has clawback policies in the event of an accounting restatement or wrongdoing.	For
	The overall amounts of executive pay are reasonable relative to company peers, what the company pays its other employees, and the value added by individual executives.	For
	The company's executive compensation plans give directors excessive discretionary power to grant awards, and the plans are overly complex and duplicative.	Against

	The company has an overall compensation philosophy, and the company's disclosure of its executive compensation policies are comprehensive and clear.	For
Say-on-Pay Voting Frequency	At least every six years, shareholders are asked to express their preference on whether a say-on-pay vote should be held every one year, every other year, or every third year. A majority of companies have recommended annual say-on-pay votes to their shareholders. An annual say-on-pay vote gives shareholders the opportunity to provide annual feedback to the board of directors on the company's executive compensation plan. On the other hand, a longer time period between say-on-pay votes may better align say-on-pay votes with long-term executive compensation plans.	For
Golden Parachutes	The Dodd-Frank Wall Street Reform and Consumer Protection Act require that companies submit their golden parachutes to an advisory shareholder vote. Golden parachutes are compensation packages that are tied to a merger, acquisition, or other change-in-control of the company. Although as a general matter companies should provide severance payments to terminated employees, the Voting Fiduciary should oppose overly generous golden parachutes for senior executives. Abusive examples include golden parachutes that exceed 2.99 times annual compensation, contain tax gross-ups, or provide for the accelerated vesting of equity awards (however, pro-rata vesting of awards based on past service is acceptable). The Voting Fiduciary should also oppose golden parachutes that are triggered before the transaction is completed, or if the payouts are not contingent on the executive's termination.	Against

The Voting Fiduciary should support shareholder proposals seeking to limit or reform the use of equity compensation in a manner consistent with these criteria:

Issue	Supporting Statement	Recommendation
Performance-Based Equity Compensation	The Voting Fiduciary should only support equity compensation plans that are truly performance- based. These include performance-vesting restricted stock awards, premium-priced stock options (which have a strike price greater than 100 percent of the fair market value on the date of grant), and linking the exercise price or vesting of awards to a stock price index or other performance measure. Performance-vesting equity awards ensure that management compensation is linked clearly to superior performance, rather than to stock increases due solely to a broad-based appreciation in the equity markets.	For
Diluting Equity Compensation	Equity compensation plans dilute the earnings and voting power of shares outstanding. The amount of acceptable dilution varies among voting fiduciaries, but a vote should be cast against any proposal if total dilution of either outstanding voting power or outstanding shareholders' equity is greater than 10 percent, and any total dilution level over 5 percent is an area of concern. There may be instances in which a slightly higher dilution rate may be in the best interests of shareholders, but these exceptions should be determined on a case-by-case basis. Higher levels of dilution may be acceptable for plans that are particularly broad-based or have especially challenging performance-based objectives.	Against

Equity Compensation Grants	The Voting Fiduciary should consider whether past equity compensation grants to senior executives are reasonable and prudent. Providing repeated large grants to managers may offer a diminished incentive and needlessly dilute the company's shares. Accordingly, consideration should be given to the company's historical annual grant rate of equity to executives. Equity compensation plans should not exceed an annual grant rate of 1 percent of shares outstanding. Higher grant rates may be acceptable for plans that are particularly broad-based or have especially challenging performance-based objectives. The Voting Fiduciary should also oppose plans that reserve a specified percentage of outstanding shares for award each year (known as an evergreen plan) instead of having a fixed termination date.	Against
Stock Option Re-pricing	Stock options give executives the right to buy shares of stock at a specified price, usually the market price when issued. Granting "in-the-money" stock options (i.e., when the market price exceeds the exercise price) transfers value to executives without performance requirements. "Re-pricing" the option exercise price to a lower level after a share price decline rewards executives for the poor performance of the company's stock. The Voting Fiduciary should oppose any plan that does not prohibit stock option re-pricing or grants of in-the-money stock options. Similarly, the Voting Fiduciary should oppose the replacement of underwater stock options with new option grants at a lower exercise price. Performance-based stock option plans that index the exercise price to a peer group or other measurement are desirable so long as the performance benchmark is predetermined prior to the grant date and not subject to change retroactively.	Against

Equity Award Grant Date Manipulation	The Voting Fiduciary should oppose any equity compensation plan that does not prohibit the inappropriate manipulation of equity award grant dates through practices known as backdating, spring-loading, or bullet dodging. Stock option backdating occurs when companies manipulate grant dates to retroactively select exercise prices that are more favorable to executives. Spring-loading or bullet dodging occurs when the grant date is selected based on positive or negative material information that has not been made public. These practices are unfair to shareholders and undermine the goal of linking pay to performance by effectively granting executives in-the-money stock options. To prevent grant date manipulation, equity compensation awards should be granted on a regular, predetermined schedule.	Against
Stock Option Plans “Reload” features	The Voting Fiduciary should oppose any stock option plan incorporating a “reload” feature. A reload grant gives the recipient additional stock options to replace the options that have been exercised. Reloading options make it possible for the recipient to lock in increases in stock price with no attendant risk, a benefit not available to other shareholders. Stock option reloads also contribute to excessively large compensation packages and increase stock option dilution. Lastly, reload features transfer responsibility for new option grants from directors to the executive who is exercising his or her options.	Against
Broad-Based Compensation Plans	The Voting Fiduciary should consider whether a proposed plan generally is available to other managers and employees in the company, or is targeted narrowly to the top executives of the company. Any plan that creates or exacerbates disparities in the workplace may adversely affect employee productivity and morale. Broad-based plans	For

	can provide a significantly greater improvement in employee productivity and company performance than those narrowly targeted to top managers. The Voting Fiduciary should generally oppose plans if a significant proportion (e.g. more than 15%of option shares granted the previous year were issued to the top five executives.	
Employee Stock Purchase Plans	The Voting Fiduciary generally should support employee stock purchase plans (Internal Revenue Code §423-qualified plans). These plans cover a large number of the company's employees and allow them to purchase the company's stock at a slight discount. The Trustees support employee ownership in companies because it serves to link the interests of employees of the company with the interests of shareholders of the company, which benefits shareholders in the long run. Vote against qualified employees stock purchase plans if the purchase price is less than 85% of fair market value, the offering period is greater than 27 months, or the number of shares allocated to the plan is more than 5% of the outstanding shares.	For
Holding Periods	The Trustees believe that executives should be required to hold a substantial portion of their equity compensation awards, including shares received from option exercises (e.g. 75% of their after-tax stock option proceeds), at least until they reach retirement age. Equity compensation awards are intended to align management interests with those of shareholders, and allowing executives to sell these shares while they are employees of the company undermines this purpose. Given the large size of a typical annual equity compensation award, holding requirements that are based on a multiple of cash compensation may be inadequate.	For

Complex Equity Compensation Plans	The Trustees oppose equity compensation plans that are needlessly complex or plans that weaken performance criteria by providing directors with excessive discretionary power. The Voting Fiduciary should therefore oppose plans that allow pyramiding (using shares obtained from the exercise of each option to purchase additional shares covered under the option), gross-ups (in which the company provides cash or additional options to cover the tax-liability of options), or acceleration of the vesting requirements of outstanding awards. The Voting Fiduciary should also oppose plans that bundle several kinds of awards into one plan (known as "omnibus plans") or do not provide clear guidelines for the allocation of awards.	Against
Base Compensation	The Voting Fiduciary should support reasonable limits on senior executives' base compensation. Annual salaries for executives and other forms of guaranteed pay should be the minimum necessary for retention and recruitment. In addition, section §162(m) of the Internal Revenue Code limits the tax deductibility of executive compensation in excess of $1 million that is not performance-based. The Voting Fiduciary should support this limitation and other proposals to establish reasonable levels of executive base compensation.	For
Variable Compensation plans	The Voting Fiduciary should support long-term incentive plans, annual bonus plans and other variable cash compensation plans that use explicit operating performance benchmarks. These plans can help promote the long-term success of a company by focusing executives on improving earnings per share, return on equity, and other quantitative measures of company performance. The Voting Fiduciary may also support routine amendment of these plans, with	For

	the exception of any amendment that seeks to lower the performance criteria.	
Perks and Benefits (not linked to performance)	The Voting Fiduciary should support enhanced shareholder oversight of executive benefits such as tax gross-ups, preferential supplemental executive retirement plans, and other perquisites. These benefits are not linked to performance and can amount to significant liabilities to shareholders. In general, the Voting Fiduciary should oppose the provision of any perquisite or benefit to executives that exceeds what is generally offered to other company employees. From a shareholder prospective, the cost of these executive entitlements would be better allocated to performance-based forms of executive compensation.	Against
Post-Employment Compensation (not generally offered)	The Voting Fiduciary should support requiring shareholder approval of senior executive severance plans, death benefits, or "golden parachutes." Golden parachutes are generous payments granted to executives that are contingent on a change of control in a company. Golden parachutes can reward underperformance leading up to a change in control and are rarely justified in light of the significant compensation already awarded most executives. Any golden parachute or change in control equity compensation vesting feature should be contingent upon the completion of a merger and the termination of the executive. The vesting of equity compensation should not accelerate on a change in control, but should vest on a pro-rata basis up to the time of a change in control assuming that any performance benchmarks are met. In general, the Voting Fiduciary should vote to eliminate any post-employment compensation package (including golden parachutes, death benefits, and severance) for senior executives that provides for benefits not generally offered to other company employees.	Against

Transparency and Oversight of Compensation plans	The Trustees generally believe that shareholders benefit from full disclosure of all forms of compensation received by senior executives. Requiring shareholder approval of important compensation matters also provides an important safeguard against excessive executive pay. The Voting Fiduciary should support proposals seeking to expand the disclosure of executive compensation or to enhance shareholders' voting rights on compensation matters. The Voting Fiduciary should also support proposals to enhance the transparency of the executive compensation process. Such proposals may include the adoption of compensation committee charters or supplemental reports on compensation practices.	For
Alternative Performance Measures	The Voting Fiduciary should consider supporting shareholder proposals to link executive compensation to the company's achievement of goals that improve the company's long-term performance and sustainability, provided that the proposals seek that such criteria be evaluated *in addition* to the traditional financial measures of company performance in determining executive compensation. These alternative performance measures may include regulatory compliance with environmental laws, workplace health and safety regulations, nondiscrimination laws, international labor standards, measures of employee satisfaction, or other measures of a high-performance workplace.	For
Outside Director Compensation	Shareholder evaluation of director compensation is especially important since directors are responsible for compensating themselves. The Voting Fiduciary should support compensating directors in a fashion that rewards excellent service and in a manner that does not compromise the independence of directors.	For

	To enhance director's independence from management, director compensation plans should be separate from executive compensation plans and should be voted on separately by shareholders. Excessively large compensation packages may also make directors less willing to challenge management out of fear of not being re-nominated. Direct stock ownership is the best way to align the interests of outside directors and shareholders. Accordingly, a significant proportion of director compensation should be in the form of stock. Directors should be subject to reasonable equity holding requirements. In addition to these conditions, director compensation plans should be evaluated using the same standards as apply to executive compensation plans.	

Appendix D: Corporate Governance and Changes in Control

Issues in this category include but are not limited to:

Issue	Supporting Statement	Recommendation
Increasing Authorized Common Stock	The Voting Fiduciary should support management proposals requesting shareholder approval to increase authorized common stock when management provides persuasive justification for the increase and the amount of the increase is reasonable. For example, the Voting Fiduciary may support increases in authorized common stock to fund stock splits that are in the shareholders' interest, or for a recapitalization. Stock authorizations that increase the existing authorization by more than 50% should generally be opposed, unless very specific criteria and/or extenuating circumstances are involved. The Voting Fiduciary may choose to oppose such proposals when the company intends to use the additional stock to implement a poison pill or other takeover defense.	For
Reverse Stock Splits	The Voting Fiduciary may support a reverse stock split if management provides a reasonable justification for the reduced split and reduces authorized shares accordingly. Reverse stock splits exchange multiple shares for a lesser amount to increase the share price. Increasing share price is sometimes necessary to restore a company's stock price to a level that will allow it to be traded on the national stock exchanges, and can thus help to maintain stock liquidity. Failure to reduce authorized shares as part of a reverse split, however, effectively results in an increase in authorized shares.	For

Preferred Stock	The Voting Fiduciary should oppose requests to authorize preferred stock if the board has unlimited rights to set the terms and conditions of the shares. Preferred stock that gives the board of directors broad powers to establish voting, dividend and other rights without shareholder review, also known as blank-check preferred stock, can be used as an anti-takeover device.	Against
Tracking Stock (For Business Segments)	The Voting Fiduciary should oppose management proposals to issue tracking stocks designed to reflect the performance of a particular business segment. The Trustees view tracking stocks as extremely problematic since they hold a high likelihood of creating substantial conflicts of interest between stockholders, board members and management as boards are placed in the precarious position of having to balance competing sets of interests under a single fiduciary authority. Tracking stocks, by definition, have no connection to real assets, production or capital, and its holders have little to no voting rights and no claim on corporate assets in the event of bankruptcy.	Case-by-Case
Re-incorporation	The Trustees generally oppose proposals by companies to reincorporate to jurisdictions that will result in a weakening of shareholder rights or that will present other risks that outweigh potential benefits. This pertains to re-incorporations from one state to another as well as to other countries. The Trustees are particularly concerned with U.S. companies seeking to reincorporate to offshore tax havens since these jurisdictions typically have weaker shareholder legal protections that make it more difficult to hold directors and management accountable. The Voting	Against

	Fiduciary may support proposals to re-incorporate from one state to another where satisfactory business reasons are specified and there is no significant negative impact on matters of corporate governance, shareholder rights, and management accountability. The threshold to approve proposals by U.S. companies seeking to re-incorporate to a foreign jurisdiction is much higher, however, and the Voting Fiduciary should generally oppose such proposals unless the company is able to make a compelling case, supported by extensive disclosure, that re-incorporation will (a) not harm or weaken shareholder rights or lessen management accountability, (b) contribute substantial, quantifiable and reliable benefits to the corporation's long-term value; and (c) not adversely impact the company's employees and the communities in which the company operates. The fiduciary should oppose re-incorporation as a takeover defense or to limit director liability. The fiduciary should vote for proposals to block or prohibit companies from re-incorporating in tax havens and support proposals urging companies to re-incorporate in the U.S.	
Poison Pills	While the Trustees support the legitimate use of shareholder rights plans, typically known as poison pills, the Trustees believe shareholders should always be given the opportunity to vote on such plans. The Voting Fiduciary should oppose poison pill proposals by management that do not require management to submit the pill periodically, preferably every three years, to a shareholder vote, and should support shareholder proposals that ask a company to submit its poison pill for shareholder ratification. In evaluating any poison pill proposal, the Voting Fiduciary must consider the impact of acquisition attempts that may be detrimental to the enhancement of long-term corporate value and the failure of most mergers and acquisitions to enhance long-term	Against

	corporate value. In addition, the Voting Fiduciary should consider the threshold for triggering a poison pill, and should oppose any plan with a threshold of less than 20 percent of a company's shares.	
Supermajority Voting Requirements	The Voting Fiduciary should review supermajority proposals on a case-by-case basis, weighing the consideration that supermajority voting requirements may be used to undermine voting rights against the potential benefit, in some circumstances, of protecting the interests of minority or outside stockholders. Generally, the Trustees oppose management proposals to require a supermajority vote and support shareholder proposals to lower supermajority voting requirements. The Voting Fiduciary should carefully scrutinize management proposals to lower the voting threshold for shareholder approval of management-initiated actions.	Against (Case-By-Case)
Dual Class Voting	The Trustees oppose any voting system that entrenches company management at the expense of shareholders. The issuance of new classes of stock with unequal voting rights ("dual class voting") is often designed to enhance the voting rights of company insiders and is common at family controlled companies. The Voting Fiduciary should generally oppose proposals that limit shareholder power by issuing dual class shares. In recognition of the beneficial role that long-term investors can play in strengthening a company's corporate governance and management accountability, proposals that seek to enhance the voting rights of long-term shareholders should be given favorable consideration.	Against

Confidentiality Voting and Independent Tabulation of the Vote	The Voting Fiduciary's analysis must consider the interest of shareholders in assuring that proxy voting be protected from potential management coercion and management's use of corporate funds to lobby shareholders to change their votes. The right of employee and institutional shareholders to vote without pressure from management is crucial. The purpose of confidential voting is to protect shareholders from management pressure to change their votes *before* the shareholder meeting at which those votes are cast. The fiduciary should support shareholder proposals that seek greater confidential voting. Confidential voting does not pertain to proxy vote disclosure after the shareholder meeting. To enable investors to monitor potential conflicts of interest by money managers who vote proxies on behalf of investors at the same companies to which they market other financial services, the Trustees strongly support after-the-fact proxy vote disclosure by third-party fiduciaries to their clients, whether these clients are institutional investors such as pension funds or individual mutual fund shareholders.	For
Cumulative Voting	The Voting Fiduciary's analysis must consider the fact that cumulative voting is a method of obtaining minority shareholder representation on a board and of achieving a measure of board independence from management control. Generally, the fiduciary should support shareholder proposals to restore cumulative voting and oppose management proposals to eliminate this feature.	For
Right to Call Special Meetings and Act by Written Consent	In analyzing proposals to limit or eliminate the right of shareholders to call special meetings and act by written consent, the Voting Fiduciary must weigh the fact that these rights may enhance the opportunity for shareholders to raise issues of concern with the board	For

	of directors against their potential for facilitating changes in control. Generally the fiduciary should oppose any attempts to limit and eliminate such rights if they already exist in a company's by-laws, and should support shareholder resolutions that seek to restore these rights.	
Mergers and Acquisitions	In determining its votes on mergers and acquisitions, the Voting Fiduciary should consider the following factors: • impact of the merger on long-term corporate value, including prospects of the combined companies; • anticipated financial and operating benefits; • offer price (cost vs. premium); • how the deal was negotiated; • changes in corporate governance and their • impact on shareholder rights; and • impact on key constituents at both companies, including employees and communities.	Case-by-Case
Fair –Price Provisions	The Voting Fiduciary's evaluation of the long-term costs and benefits of a fair-price provision must consider the fact that such provisions guard against the coercive pressures of two-tiered tender offers in which some shareholders, including plan participants in some instances, receive less value for their stock than other shareholders from a bidder who seeks to take a controlling interest in the company. However, the Voting Fiduciary also must consider the provision's potential for minimizing the company's debt and the resulting impact on the long-term value of holdings in the event the shareholders do not tender.	Case-by-Case

Greenmail Payments	The Voting Fiduciary's analysis must consider the fact that greenmail discriminates against other shareholders and may result in decreased stock price. Where the Voting Fiduciary concludes that the greenmail payment lacks satisfactory long-term business justification (such as stopping an acquisition attempt that would be detrimental to the long-term economic best interests of plan participants and beneficiaries), the fiduciary must oppose the proposal.	Against
Broad Management Authority	The Voting Fiduciary should oppose management requests to approve other business because this gives management broad authority to take action without shareholder consent even when shareholders have an interest in the issue.	Against
Judicial Forum	The Voting Fiduciary should vote against management proposals to restrict the venue for shareowner claims by adopting charter or bylaws provisions that seek to establish an exclusive judicial forum. Rules about where shareholders may sue are generally set by statute through the legislative process which balances competing concerns. Corporations should not deprive shareholders of the ability to bring lawsuits in the judicial forum of the shareholders' choosing.	Against

Appendix E: Corporate Responsibility

Issue	Supporting Statement	Recommendation
Labor and Human Rights	These proposals call for the adoption of principles or codes relating global labor standards or for reporting on the issues. The Trustees believe companies should adopt workplace practices covering basic labor and human rights standards. These labor and human rights standards include the United Nations' International Labor Organization's Fundamental Conventions, including freedom of association (Conventions 87 and 98), equality (Conventions 100 and 111), the abolition of forced labor (Conventions 29 and 105) and elimination of child labor (Conventions 132 and 182). Formulated through tripartite negotiations between representatives from governments, labor unions and businesses, the Fundamental ILO Conventions are widely recognized by labor and human rights groups and are used as benchmarks and the basis for laws in many countries around the world. Moreover, enforcing a global code or policy based on the Fundamental ILO Conventions can improve workplace relations, which in turn can increase productivity, improve quality, reduce workplace injuries, limit risk and liabilities associated with lawsuits, improve brand image, increase shareholder value and yield other economic benefits. Proposals calling on companies to adopt codes or policies based on the Fundamental ILO Conventions should be supported.	For
Supplier Codes of Conduct	Many companies' products are produced through contracting and supply chains rather than through facilities owned directly by the companies. This creates legal and reputational risks that a company's products could be produced in conditions that violate labor and human rights standards. To reduce these	For

	risks, companies should establish a monitoring process that includes disclosure and independent verification of their contractors' and suppliers' compliance with labor, equal employment opportunity and human rights standards. The Trustees support resolutions that call for the corporation to take reasonable steps, or institute a review process, to ensure that it does not do business with suppliers that manufacture products using forced labor, convict labor or child labor, or that fail to comply with all applicable laws and standards protecting their employees' wages, benefits, working conditions, freedom of association and other rights.	
Country Specific Standards	The Voting Fiduciary should support proposals that ask companies to prepare a report on or adopt a code of conduct on their operations in countries or regions with systemic labor and human rights violations. Taking such actions will help the company protect its corporate reputation and reduce its vulnerability to lawsuits from international human rights abuses. A board level review or report can shed needed light on a controversy and help investors to better understand the risks associated with a company's international operations. Examples of country specific standards that should be supported include the MacBride Principles for Northern Ireland and the Sullivan Principles for South Africa.	For
Equal Employment Opportunity	In general, the fiduciary should support proposals asking companies to report on diversity in the workplace. The Trustees believe that reporting to shareholders on affirmative action keeps the issue high on a company's agenda, reaffirms a commitment to equal employment opportunity, and bolsters its standing with employees and the public and thus its economic well-being. Proposals that seek to prevent discrimination on the basis of race, national origin,	For

	religion, gender, disability, sexual orientation, or gender identity should generally be supported. Current federal law blocks discrimination on the basis of race, national origin, religion, gender, and disability, but not on the basis of sexual orientation or gender identity. In the absence of a federal prohibition, lesbian, gay, bisexual, and transgender (LGBT) employees are dependent on local laws and corporate policies for protection. Proposals urging companies to adopt a LGBT anti-discrimination policy should be supported.	
Environmental Issues	Environmental issues pose a growing risk to the long-term sustainability of many companies and industries. Proposals recommending adoption of the CERES principles on corporate environmental conduct seek protect the environment and the safety and health of employees. Other proposals seek greater disclosure on specific environmental issues such as global warming. The Voting Fiduciary generally should support these proposals, for they improve the company's public image and may improve its operations, both of which enhance shareholder value. Other proposals that seek to limit specific harms to the environment may be supported on a case-by-case basis.	For
Fair Lending	These resolutions call for financial institutions to affirmatively comply with fair-lending regulations and statutes, institute or report on overall fair-lending policies or goals by the parent and financial subsidiaries of the corporation or disclose lending data to shareholders and the public. The Trustees believe it is important for financial institutions to examine the risks inherent to their fair-lending compliance practices, to institute corrective steps and safeguards, if necessary, and to report to shareholders on their findings and activities in this regard. The	For

	fiduciary may generally support proposals seeking such actions.	
Disclosure of Business Strategy	Shareholders have introduced proposals asking boards of directors to examine the impact of particular business strategies on long-term corporate value and to issue a report to shareholders. The Trustees generally support enhanced disclosure to shareholders on how the company addresses issues that may present a significant risk to long-term corporate value. For example, these proposals may call for greater board oversight or a report to shareholders on risk management. The Voting Fiduciary should generally support proposals seeking a review of business strategies that may not be in the interests of long-term investors, so long as these proposals do not impose undue costs on the corporation.	For
Disclosure of Political Contribution and Lobbying	The Voting Fiduciary should support proposals that seek disclosure and board level oversight of corporate political contributions and lobbying expenditures. The expenditure of corporate assets for political contributions has grown significantly as a result of the U.S. Supreme Court's 2010 decision in *Citizens United v. Federal Election Commission*. Absent a system of transparency and accountability, company assets may be used to pursue policy objectives that are inimical to the long-term interests of the company. Publicly available data on corporate political contributions and lobbying expenditures do not provide a complete picture of these activities. Investors need complete disclosure to be able to evaluate the use of corporate assets for political contributions and lobbying expenditures.	For

	The Voting Fiduciary should support proposals: • that requires a company to maintain a politically neutral stance. • that avoids potential conflicts of interests that could negatively impact the company's brand name. • calling for a written policy dedicated to the oversight and disclosure of political and charitable contributions.	

History
This Proxy Voting Policy was adopted by the Board on July 25, 2013
Reviewed March 20, 2014
Revised September 17, 2015
Revised March 17, 2016
Revised March 16, 2017

Review
The Board shall review this Proxy Voting Policy annually.