COHEN & STEERS

Global Proxy Voting Policy

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Part I: Proxy Voting Procedures

Cohen & Steers Capital Management, Inc. and its affiliated investment advisors (collectively, “Cohen & Steers”) may be granted by its clients the authority to vote the proxies of securities held in client portfolios. In such cases, Cohen & Steers’ objective is to vote proxies in the best interests of its clients. To further this objective, Cohen & Steers has adopted these proxy voting procedures (the “Procedures”).

These procedures also contain detailed guidelines for voting proxies on specific types of issues (the “Guidelines”). The Guidelines, which are contained in Part II of this Proxy Voting Procedures and Guidelines, have been developed and approved by the Proxy Committee (as defined below) with the objective of encouraging corporate action that enhances shareholder value. Because proxy proposals and individual company facts and circumstances may vary, Cohen & Steers may not always vote proxies in accordance with the Guidelines.

A. Proxy Committee

Cohen & Steers’ internal proxy voting committee (the “Proxy Committee”) is responsible for overseeing the proxy voting process and ensuring that Cohen & Steers meets its regulatory and corporate governance obligations for voting proxies.

The Proxy Committee is comprised of portfolio managers and research analysts from the various investment teams and members of the Legal and Compliance Department. A member or members of the Proxy Administration Group (as defined below) may also attend Proxy Committee meetings. In the event that any member is unable to participate in a meeting of the Proxy Committee, the member shall designate an appropriate individual to serve in his/her absence. The Proxy Committee shall meet at least semi-annually or more frequently as circumstances dictate. Any member has the right to call a meeting if he or she believes such a meeting is warranted.

The specific responsibilities of the Proxy Committee include, but are not limited to:

(i) reviewing the Procedures to ensure consistency with internal policies and regulatory agency policies;

(ii) reviewing the Guidelines and developing additional voting guidelines to assist in the review of proxy proposals;

(iii) overseeing the vote on proposals according to the predetermined policies in the Guidelines; and

(iv) directing the vote on proposals where there is a reason not to vote according to pre-determined policies in the Guidelines or where proposals require specific consideration and ensuring the reason for such a vote is properly documented.

B. Proxy Administration Group

The Proxy Administration Group in the Investment Administration Department is responsible for communicating proxies to the respective portfolio manager and/or research analyst (herein, "Investment Personnel") for consideration pursuant to the Guidelines. Investment Personnel who vote their proxies inconsistently with the Guidelines are required to document their rationale for the vote. The Proxy Administration Group is responsible for maintaining this documentation. The Proxy Administration Group is also responsible for maintaining documentation supporting any votes cast against management.

C. Proxy Voting Service

Cohen & Steers has retained an independent Proxy Voting Service to assist in the voting of proxies. The Proxy Voting Service is responsible for coordinating with clients' custodians to ensure that all proxy materials received by the custodians relating to the clients' portfolio securities are processed in a timely fashion. In addition, the Proxy Voting Service is responsible for maintaining copies of all proxy statements received by issuers and to promptly provide such materials to Cohen & Steers upon request.

The Proxy Administration Group works with the Proxy Voting Service and is responsible for ensuring that proxy votes are properly recorded and that the requisite information regarding each proxy voting opportunity is maintained. The General Counsel of Cohen & Steers shall have overall responsibility for ensuring that Cohen & Steers complies with all proxy voting requirements and procedures.

D. Conflicts of Interest

The U.S. Investment Advisers Act of 1940 requires that the proxy-voting procedures adopted and implemented by a U.S. investment advisor include procedures that address material conflicts of interest that may arise between the investment advisor's interests and those of its clients. Examples of such material conflicts of interest that could arise include circumstances in which:

(i) management of a client is soliciting proxies and failure to vote in favor of management may harm Cohen & Steers' relationship with the client and materially impact Cohen & Steers' business; or

(ii) a personal or familial relationship between an employee or director at Cohen & Steers and management of an issuer could impact Cohen & Steers' voting decision.

When a potential material conflict is identified, the Proxy Committee will evaluate the situation and determine whether an actual material conflict of interest exists. In the event the Proxy

Committee determines that a material conflict does exist, the Proxy Committee shall make a recommendation on how Cohen & Steers shall vote the proxy.

Depending on the nature of the material conflict of interest, the Proxy Committee, in the course of addressing the material conflict, may elect to take one or more of the following measures, or other appropriate action:

- removing certain Cohen & Steers personnel from the proxy voting process;
- "walling off" personnel with knowledge of the material conflict to ensure that such personnel do not influence the relevant proxy vote;
- voting in accordance with the applicable Guidelines, if any, if the application of the Guidelines would objectively result in the casting of a proxy vote in a predetermined manner; or
- deferring the vote to the Proxy Voting Service which will vote in accordance with its own recommendation.

E. Foreign Securities

Proxies relating to foreign securities are subject to these Procedures. In certain foreign jurisdictions, however, the voting of proxies can result in additional restrictions that have an economic impact or cost to the security. For example, certain countries restrict a shareholder's ability to sell shares for a certain period of time if the shareholder votes proxies at a meeting (a practice known as "share-blocking"). In other instances, the costs of voting a proxy (i.e. being required to vote the meeting in person) may outweigh any benefit to the client if the proxy is voted.

In determining whether to vote proxies subject to such restrictions, the Investment Personnel responsible for the security shall consider a cost-benefit analysis and where the expected cost involved in voting exceeds the expected benefits of the vote, Cohen & Steers will generally abstain from voting the proxy.

F. Shares of Registered Investment Companies

Certain funds advised by Cohen & Steers may be structured as funds of funds and invest their assets primarily in other investment companies (the "Funds of Funds"). The Fund of Funds hold shares in the underlying funds and may be solicited to vote on matters pertaining to these underlying funds. With respect to any such matter, to comply with Section 12(d)(1)(F) of the 1940 Act, the Funds of Funds will vote their shares in any underlying fund in the same proportion as the vote of all other shareholders in that underlying fund (sometimes called "echo" or "proportionate" voting); provided, however, that in situations where proportionate voting is administratively impractical (i.e. proxy contests) the Fund of Funds will cast a vote or, in certain cases, not cast a vote, so long as the action taken does not have an effect on the outcome of the matter being voted upon different than if the Funds of Funds had proportionately voted. The above proportionate voting procedures do not apply to non-U.S. underlying funds held by the Funds of Funds. Proxies for non-U.S. funds are actively voted in accordance with the procedures set forth herein.

G. Cohen & Steers Funds

The Board of Directors of the U.S. open- and closed-end funds managed by Cohen & Steers ("Cohen & Steers Funds") has delegated to Cohen & Steers the responsibility for voting proxies on behalf of the Cohen & Steers Funds. As such, proxies relating to portfolio securities held by any Cohen & Steers Fund shall be voted in accordance with these Procedures and Guidelines. The Chief Compliance Officer, or her designee, shall make an annual presentation to the Board regarding these Procedures and Guidelines, including whether any revisions are recommended, and shall report to the Board at each regular, quarterly meeting with respect to any conflict of interest situation that arose regarding the proxy voting process.

H. Securities Lending

Certain Cohen & Steers Funds may participate in securities lending programs with various counterparties. Under most securities lending arrangements, proxy voting rights during the lending period generally are transferred to the borrower, and thus proxies received in connection with the securities on loan may not be voted by the lender unless the loan is recalled.

If a Fund participates in a securities lending program, Cohen & Steers will use its best efforts to recall certain securities on loan so that Cohen & Steers can vote proxies relating to such securities if Cohen & Steers determines that the votes involve matters that would have a material effect on the Fund's investment in such loaned securities.

I. Recordkeeping

Cohen & Steers is required to maintain and preserve in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of Cohen & Steers, the following records:

(i) Copies of all proxy voting policies and procedures

(ii) A copy of each proxy statement that Cohen & Steers receives regarding client securities.

(iii) A record of each vote cast by the Cohen & Steers on behalf of a client.

(iv) A copy of any document created by Cohen & Steers that was material to making a decision on how to vote proxies on behalf of a client or that memorializes the basis for that decision.

(v) A copy of each written client request for information on how Cohen & Steers voted proxies on behalf of the client, and a copy of any written response by Cohen & Steers (written or oral) to any client request for information on how Cohen & Steers voted proxies on behalf of the requesting client.

It shall be noted that Cohen & Steers reserves the right to use the services of the Independent Proxy Voting Service to maintain certain required records in accordance with all applicable regulations.

J. Pre-Solicitation Contact

From time to time, companies, including proxy solicitors acting on their behalf, will seek to contact analysts, portfolio managers and others in advance of the formal proxy solicitation to solicit support for certain contemplated proposals. Such contact can potentially result in the recipient receiving material non-public information and result in the imposition of trading restrictions. Accordingly, pre-solicitation contact should occur only under very limited circumstances and only in accordance with the terms set forth herein.

<u>What is material non-public information</u>? The definition of material non-public information is highly subjective. The general test, however, is whether or not such information would reasonably affect an investor's decision to buy, sell or hold securities, or whether it would be likely to have a significant market impact. Examples of such information include, but are not limited to:

- a pending acquisition or sale of a substantial business;
- financial results that are better or worse than recent trends would lead one to expect;
- major management changes;
- an increase or decrease in dividends;
- calls or redemptions or other purchases of its securities by the company;
- a stock split, dividend or other recapitalization; or
- financial projections prepared by the company or the company's representatives.

<u>What is pre-solicitation contact</u>? Pre-solicitation contact is any communication, whether oral or written, formal or informal, with the company or a representative of the company regarding proxy proposals prior to publication of the official proxy solicitation materials. This contact can range from simply polling investors as to their reaction to a broad topic, e.g., "How do you feel about dual classes of stock?", to very specific inquiries, e.g., "Here's a term sheet for our restructuring. Will you vote to approve this?"

What should be done upon contact? Determining the appropriateness of the contact is a factual inquiry which must be determined on a case-by-case basis. For instance, it might be acceptable for us to provide companies with our general approach to certain issues. Promising our vote, however, is prohibited under all circumstances. In the event a Cohen & Steers employee is contacted in advance of the publication of proxy solicitation materials, that employee should notify the Legal and Compliance Group immediately.

It is also critical to keep in mind that as a fiduciary, we exercise our proxies solely in the best interests of our clients. Outside influences, including those from within Cohen & Steers, should not interfere in any way in our decision making process.

Part II: Proxy Voting Guidelines

Set forth are the Proxy Voting Guidelines followed by Cohen & Steers in exercising voting rights with respect to securities held in its client portfolios. All proxy voting rights that are exercised by Cohen & Steers are subject to these guidelines.

In exercising voting rights, Cohen & Steers shall conduct itself in accordance with the principles set forth below.

- The ability to exercise a voting right with respect to a security is a valuable right and, therefore, must be viewed as part of the asset itself.
- Cohen & Steers shall engage in a careful evaluation of issues that may materially affect the rights of shareholders and the value of the security.
- Cohen & Steers shall never base a proxy voting decision solely on the opinion of a third party. Rather, decisions shall be based on a reasonable and good faith determination as to how best to maximize shareholder value.
- Consistent with general fiduciary duties, the exercise of voting rights shall always be conducted with reasonable care, prudence and diligence.
- Cohen & Steers shall conduct itself in the same manner as if Cohen & Steers were the beneficial owner of the securities.
- To the extent reasonably possible, Cohen & Steers shall participate in each shareholder voting opportunity.
- Voting rights shall not automatically be exercised in favor of management-supported proposals.
- Cohen & Steers, and its officers and employees, shall never accept any item of value in consideration of a favorable proxy vote.

A. Board and Director Proposals

1. Election of Directors

a. Voting for Director Nominees in Uncontested Elections **CASE-BY-CASE**

Votes on director nominees are made on a case-by-case basis using a “mosaic” approach, where all factors are considered and no single factor is determinative. In evaluating director nominees, we consider the following factors:

- Whether the nominee attended less than 75 percent of the board and committee meetings without a valid excuse for the absences;
- Whether the nominee is an inside or affiliated outside director and sits on the audit, compensation, or nominating committees and/or the full board serves as the audit, compensation, or nominating committees, or the company does not have one of these committees;

- Whether the board ignored a significant shareholder proposal that was approved by a majority of the votes cast in the previous year;
- Whether the board, without shareholder approval, instituted a new poison pill plan, extended an existing plan, or adopted a new plan upon the expiration of an existing plan during the past year;
- Whether the nominee is the chairman or CEO of a publicly-traded company who serves on more than two (2) public company boards;
- In the case of nominees other than the chairman or CEO, whether the nominee serves on more than four (4) public company boards;
- If the nominee is an incumbent director, the length of tenure taking into account tenure limits recommended by local corporate governance codes;[1]
- Whether the nominee has a material related party transaction or a material conflict of interest with the company;
- Whether the nominee (or the entire board) has a record of making poor corporate or strategic decisions or has demonstrated an overall lack of good business judgment;
- Material failures of governance, stewardship, risk oversight[2], or fiduciary responsibilities at the company; and
- Actions related to a nominee'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.

b. Voting for Director Nominees in Contested Elections **CASE-BY-CASE**

Votes in a contested election of directors are evaluated on a case-by-case basis considering the long-term financial performance of the company relative to its industry, management's track record, the qualifications of the nominees, and other relevant factors.

2. Non-Disclosure of Board Nominees **AGAINST**

We generally vote against the election of director nominees if the names of the nominees are not disclosed prior to the meeting. However, we recognize that companies in certain

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[1] For example, in the UK, independent directors of publicly-traded companies with tenure exceeding nine (9) years are reclassified as non-independent unless the company can explain why they remain independent.

[2] Examples of failure of risk oversight include, but are not limited to: bribery; large or serial fines from regulatory bodies; significant adverse legal judgments or settlements; hedging of company stock by the employees or directors of a company; or significant pledging of company stock in the aggregate by the officers or directors of a company.

emerging markets may have legitimate reasons for not disclosing nominee names. In such cases, if a company discloses a legitimate reason why such nominee names have not been disclosed, we may vote for the nominees even if nominee names are not disclosed.

3. **Majority Vote for Directors (SP)**[3] **FOR**
   We generally vote for proposals asking the board to amend the company's governance documents (charter or bylaws) to provide that director nominees will be elected by the affirmative vote of the majority of votes cast.

4. **Separation of Chairman and CEO (SP)** **FOR**
   We generally vote for proposals to separate the CEO and chairman positions. We do recognize, however, that under certain circumstances it may be in the company's best interest for the CEO and chairman positions to be held by one person.

5. **Independent Chairman (SP)** **CASE-BY-CASE**
   We review on a case-by-case basis proposals requiring the chairman's position to be filled by an independent director taking into account the company's current board leadership and governance structure, company performance, and any other factors that may be relevant.

6. **Lead Independent Directors (SP)** **FOR**
   In cases where the CEO and chairman roles are combined or the chairman is not independent, we vote for the appointment of a lead independent director.

7. **Board Independence (SP)** **FOR**
   We believe that boards should have a majority of independent directors. Therefore, we vote for proposals that require the board to be comprised of a majority of independent directors.

   In general, we consider a director independent if the director satisfies the independence definition set forth in local corporate governance codes and/or the applicable listing standards of the exchange on which the company's stock is listed.

   In addition, we generally consider a director independent if the director has no significant financial, familial or other ties with the company that may pose a conflict and has not been employed by the company in an executive capacity.

8. **Board Size (SP)** **FOR**
   We generally vote for proposals to limit the size of the board to 15 members or less.

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[3] "SP" refers to a shareholder proposal.

9. Classified Boards (SP) **FOR**

We generally vote in favor of proposals to declassify boards of directors. In voting on proposals to declassify a board of directors, we evaluate all facts and circumstances, including whether: (i) the current management and board have a history of making good corporate or strategic decisions and (ii) the proposal is in the best interests of shareholders.

10. Tiered Boards (non-U.S.) **FOR**

We vote in favor of unitary boards as opposed to tiered board structures. We believe that unitary boards offer flexibility while, with a tiered structure, there is a risk of upper tier directors becoming remote from the business, while lower tier directors become deprived of contact with outsiders of wider experience. No director should be excluded from the requirement to submit him/herself for re-election on a regular basis.

11. Independent Committees (SP) **FOR**

We vote for proposals requesting that a board's audit, compensation, and nominating committees consist only of independent directors.

12. Adoption of a Board with Audit Committee Structure (JAPAN) **FOR**

We vote for an article amendment to adopt a board with audit committee structure unless the structure obstructs shareholders' ability to submit proposals on income allocation related issues or the company already has a 3-committee (U.S. style) structure.

13. Non-Disclosure of Board Compensation **AGAINST**

We generally vote against the election of director nominees at companies if the compensation paid to such directors is not disclosed prior to the meeting. However, we recognize that companies in certain emerging markets may have legitimate reasons for not disclosing such compensation. In such cases, if a company discloses a legitimate reason why such compensation should not be disclosed, we may vote for the nominees even if compensation is not disclosed.

14. Director and Officer Indemnification and Liability Protection **FOR**

We vote in favor of proposals providing indemnification for directors and officers for acts conducted in the normal course of business that is consistent with the law of the jurisdiction of formation. We also vote in favor of proposals that expand coverage for directors and officers where, despite an unsuccessful legal defense, the director or officer acted in good faith and in the best interests of the company. We vote against proposals that would expand indemnification beyond coverage of legal expenses to coverage of acts, such as gross negligence, that are violations of fiduciary obligations.

15. Directors' Liability (non-U.S.) **FOR**

These proposals ask shareholders to give discharge from responsibility for all decisions made during the previous financial year. Depending on the country, this resolution may or may not be legally binding, may not release the board from its legal responsibility, and does not necessarily eliminate the possibility of future shareholder action (although it does make such action more difficult to pursue).

We will generally vote for the discharge of directors, including members of the management board and/or supervisory board, unless the board is not fulfilling its fiduciary duties as evidenced by:

- A lack of oversight or actions by board members that amount to malfeasance or poor supervision, such as operating in private or company interest rather than in shareholder interest;
- Any legal issues (e.g., civil/criminal) aiming to hold the board liable for past or current actions that constitute a breach of trust, such as price fixing, insider trading, bribery, fraud, or other illegal actions; or
- Other egregious governance issues where shareholders are likely to bring legal action against the company or its directors.

16. Directors' Contracts (non-U.S.) **CASE-BY-CASE**

Best market practice about the appropriate length of directors' service contracts varies by jurisdiction. As such, we vote these proposals on a case-by-case basis taking into account the best interests of the company and its shareholders and local market practice.

B. Compensation Proposals

1. Votes on Executive Compensation **CASE-BY-CASE**

"Say-on-Pay" votes are determined on a case-by-case basis taking into account the reasonableness of the company's compensation structure and the adequacy of the disclosure.

We generally vote against in cases where there are an unacceptable number of problematic pay practices including:

- Poor linkage between the executives' pay and the company's performance and profitability;
- The presence of objectionable structural features in the compensation plan, such as excessive perquisites, golden parachutes, tax-gross up provisions, and automatic benchmarking of pay in the top half of the peer group; and
- A lack of proportionality in the plan relative to the company's size and peer group.

2. Additional Disclosure on Executive and Director Pay (SP) **FOR**

We generally vote for shareholder proposals that seek additional disclosure of executive and director pay information.

3. **Frequency of Shareholder Votes on Executive Compensation** **ONE YEAR**
We generally vote for annual shareholder advisory votes to approve executive compensation.

4. **Golden Parachutes** **AGAINST**
In general, we vote against golden parachutes because they impede potential takeovers that shareholders should be free to consider. We oppose the use of employment agreements that result in excessive cash payments and generally withhold our vote at the next shareholder meeting for directors who approved golden parachutes.

   In the context of an acquisition, merger, consolidation, or proposed sale, we vote on a case-by-case basis on proposals to approve golden parachute payments. Factors that may result in a vote against include:

   - Potentially excessive severance payments;
   - Agreements that include excessive excise tax gross-up provisions;
   - Single-trigger payments upon a CIC, including cash payments and the acceleration of performance-based equity despite the failure to achieve performance measures;
   - Single-trigger vesting of equity based on a definition of change in control that requires only shareholder approval of the transaction (rather than consummation);
   - Recent amendments or other changes that may make packages so attractive as to encourage transactions that may not be in the best interests of shareholders; or
   - The company’s assertion that a proposed transaction is conditioned on shareholder approval of the golden parachute advisory vote.

5. **Non-Executive Director Remuneration** **CASE-BY-CASE**
We evaluate these proposals on a case-by-case basis taking into account the compensation mix and the adequacy of the disclosure. We believe that non-executive directors should be compensated in a mix of cash and equity to align their interests with the interests of shareholders. The details of such remuneration should be fully disclosed and provided with sufficient time for us to consider our vote.

6. **Approval of Annual Bonuses for Directors or Statutory Auditors (JAPAN)** **FOR**
We generally support the payment of annual bonuses except in cases of scandals or extreme underperformance.

7. **Equity Compensation Plans** **CASE-BY-CASE**
Votes on proposals related to compensation plans are determined on a case-by-case basis taking into account plan features and equity grant practices, where positive factors may counterbalance negative factors (and vice versa), as evaluated based on three pillars:

- **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, considering:
  - 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.

- **Plan Features:**
  - Automatic single-trigger award vesting upon a CIC;
  - Discretionary vesting authority;
  - Liberal share recycling on various award types; and
  - Minimum vesting period for grants made under the plan.

- **Grant Practices:**
  - The company's three year burn rate relative to its industry/market cap peers;
  - Vesting requirements for 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; and
  - Whether the company has established post exercise/vesting shareholding requirements.

We generally vote against compensation plan proposals if the combination of factors indicates that the plan is not overall in the shareholders' interest or if any of the following apply:

- Awards may vest in connection with a liberal CIC;
- The plan would permit re-pricing or cash buyout of underwater options without shareholder approval;
- The plan is a vehicle for problematic pay practices or a pay-for-performance disconnect; or
- Any other plan features that are determined to have a significant negative impact on shareholder interests.

8. Equity Compensation Plans (non-U.S.) **CASE-BY-CASE**

We evaluate these proposals on a case-by-case basis. Share option plans should be clearly explained and fully disclosed to both shareholders and participants and put to shareholders for approval. Each director's share options should be detailed, including exercise prices, expiry dates and the market price of the shares at the date of exercise. They should take into account appropriate levels of dilution. Options should vest in reference to challenging performance criteria, which are disclosed in advance. Share options should be fully expensed so that shareholders can assess their true cost to the company. The assumptions and methodology behind the expensing calculation should also be disclosed to shareholders.

9. **Long-Term Incentive Plans (non-U.S.)** **CASE-BY-CASE**

A long-term incentive plan refers to any arrangement, other than deferred bonuses and retirement benefit plans, which require one or more conditions in respect of service and/or performance to be satisfied over more than one financial year.

We evaluate these proposals on a case-by-case basis. We generally vote in favor of plans with robust incentives and challenging performance criteria that are fully disclosed to shareholders in advance, and vote against plans that are excessive or contain easily achievable performance metrics or where there is excessive discretion delegated to remuneration committees. We would expect remuneration committees to explain why criteria are considered to be challenging and how they align the interests of shareholders with the interests of the plan participants. We will also vote against proposals that lack sufficient disclosure.

10. **Transferable Stock Options** **CASE-BY-CASE**

We evaluate on a case-by-case basis proposals to grant transferable stock options or otherwise permit the transfer of outstanding stock options, including the cost of the proposal and alignment with shareholder interests.

11. **Approval of Cash or Cash-and-Stock Bonus Plans** **FOR**

We vote to approve cash or cash-and-stock bonus plans that seek to exempt executive compensation from limits on deductibility imposed by Section 162(m) of the Internal Revenue Code.

12. **Employee Stock Purchase Plans** **FOR**

We vote for the approval of employee stock purchase plans, although we generally believe the discounted purchase price should not exceed 15% of the current market price.

13. **401(k) Employee Benefit Plans** **FOR**

We vote for proposals to implement a 401(k) savings plan for employees.

14. **Pension Arrangements (non-U.S.)** **CASE-BY-CASE**

We evaluate these proposals on a case-by-case basis. Pension arrangements should be transparent and cost-neutral to shareholders. We believe it is inappropriate for executives to participate in pension arrangements that are materially different than those offered to other employees (such as continuing to participate in a final salary arrangement when employees have been transferred to a money purchase plan). One-off payments into individual director's pension plans, changes to pension entitlements, and waivers concerning early retirement provisions must be fully disclosed and justified to shareholders.

15. Stock Ownership Requirements (SP) **FOR**

We support proposals requiring senior executives and directors to hold a minimum amount of stock in a company (often expressed as a percentage of annual compensation), which may include restricted stock or restricted stock units.

16. Stock Holding Periods (SP) **AGAINST**

We generally vote against proposals requiring executives to hold stock received upon option exercise for a specific period of time.

17. Recovery of Incentive Compensation (SP) **FOR**

We generally vote for proposals to recover incentive bonuses or other incentive payments made to senior executives if it is later determined that fraud, misconduct, or negligence significantly contributed to a restatement of financial results that led to the award of incentive compensation.

C. Capital Structure Changes and Anti-Takeover Proposals

1. Increase to Authorized Shares **FOR**

We generally vote for increases in authorized shares, provided that the increase is not greater than three times the number of shares outstanding and reserved for issuance (including shares reserved for stock-related plans and securities convertible into common stock, but not shares reserved for any poison pill plan).

2. Blank Check Preferred Stock **AGAINST**

We generally vote against proposals authorizing the creation of new classes of preferred stock without specific voting, conversion, distribution and other rights and proposals to increase the number of authorized blank check preferred shares. We may vote in favor of these proposals if we receive reasonable assurances that (i) the preferred stock was authorized by the board for legitimate capital formation purposes and not for anti-takeover purposes and (ii) no preferred stock will be issued with voting power that is disproportionate to the economic interests of the preferred stock. These representations should be made either in the proxy statement or in a separate letter from the company to us.

3. Pre-Emptive Rights **AGAINST**

We generally vote against the issuance of equity shares with pre-emptive rights. However, we may vote for shareholder pre-emptive rights where such pre-emptive rights are necessary taking into account the best interests of the company’s shareholders. In addition, we acknowledge that international local practices may call for shareholder pre-emptive rights when a company seeks authority to issue shares (e.g., UK authority for the issuance of only up to 5% of outstanding shares without pre-emptive rights). While we prefer that companies be permitted to issue shares without pre-emptive rights, in deference to international local practices, we will approve issuance requests with pre-emptive rights.

4. **Dual Class Capitalizations** **AGAINST**
Because classes of common stock with unequal voting rights limit the rights of certain shareholders, we vote against the adoption of a dual or multiple class capitalization structure. We support the one-share, one-vote principle for voting.

5. **Restructurings/Recapitalizations** **CASE-BY-CASE**
We review proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan on a case-by-case basis. In voting, we consider the following:

- Dilution: how much will the ownership interest of existing shareholders be reduced and how extreme will dilution to any future earnings be?
- Change in control: will the transaction result in a change in control of the company?
- Bankruptcy: generally approve proposals that facilitate debt restructurings unless there are clear signs of self-dealing or other abuses.

6. **Share Repurchase Programs** **FOR**
We generally vote in favor of such programs where the repurchase would be in the long-term best interests of shareholders and where we believe that this is a good use of the company's cash.

We will vote against such programs when shareholders' interests could be better served by deployment of the cash for alternative uses or where the repurchase is a defensive maneuver or an attempt to entrench management.

7. **Targeted Share Placements (SP)** **CASE-BY-CASE**
We vote these proposals on a case-by-case basis. These proposals ask companies to seek shareholder approval before placing 10% or more of their voting stock with a single investor. The proposals are typically in reaction to the placement of a large block of voting stock in an ESOP, parent capital fund or with a single friendly investor, with the aim of protecting the company against a hostile tender offer.

8. **Shareholder Rights Plans** **CASE-BY-CASE**
We review on a case-by-case basis proposals to ratify shareholder rights plans. We look for shareholder friendly features including a two to three year sunset provision, a permitted bid provision and a 20 percent or higher flip-in provision.

9. **Shareholder Rights Plans (JAPAN)** **CASE-BY-CASE**
We review these proposals on a case-by-case basis examining not only the features of the pill itself but also factors including share price movements, shareholder composition, board composition, and the company's announced plans to improve shareholder value.

10. Reincorporation Proposals **CASE-BY-CASE**

Proposals to change a company's jurisdiction of incorporation are examined on a case-by-case basis. When evaluating such proposals, we review management's rationale for the proposal, changes to the charter/bylaws, and differences in the applicable laws governing the companies.

11. Voting on State Takeover Statutes (SP) **CASE-BY-CASE**

We review 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, freeze out provisions, fair price provisions, stakeholder laws, poison pill endorsements, severance pay and labor contract provisions, and disgorgement provisions). In voting on these proposals, we take into account whether the proposal is in the long-term best interests of the company and whether it would be in the best interests of the company to thwart a shareholder's attempt to control of the board of directors.

D. Mergers and Corporate Restructurings

1. Mergers and Acquisitions **CASE-BY-CASE**

Votes on mergers and acquisitions should be considered on a case-by-case basis taking into account the anticipated financial and operating benefits, offer price (cost vs. premium), prospects of the combined companies, how the deal was negotiated, and changes in corporate governance and their impact on shareholder rights.

We vote against proposals that require a super-majority of shareholders to approve a merger or other significant business combination.

2. Nonfinancial Effects of a Merger or Acquisition **AGAINST**

Some companies have proposed charter provisions that specify that the board of directors may examine the nonfinancial effects of a merger or acquisition on the company. This provision would allow the board to evaluate the impact a proposed change in control would have on employees, host communities, suppliers and/or others. We generally vote against proposals to adopt such charter provisions. Directors should base their decisions solely on the financial interests of the shareholders.

3. Spin-offs **CASE-BY-CASE**

We evaluate spin-offs on a case-by-case basis taking into account the tax and regulatory advantages, planned use of sale proceeds, market focus, and managerial incentives.

4. Asset Sales **CASE-BY-CASE**

We evaluate asset sales on a case-by-case basis taking into account the impact on the balance sheet/working capital, value received for the asset, and potential elimination of diseconomies.

5. Liquidations **CASE-BY-CASE**

We evaluate liquidations on a case-by-case basis taking into account management's efforts to pursue other alternatives, appraisal value of the assets, and the compensation plan for executives managing the liquidation.

6. Issuance of Debt (non-U.S.) **CASE-BY-CASE**

We evaluate these proposals on a case-by-case basis. Reasons for increased bank borrowing powers are numerous and varied, including allowing for normal growth of the company, the financing of acquisitions, and allowing increased financial leverage. Management may also attempt to borrow as part of a takeover defense. We generally vote in favor of proposals that will enhance a company's long-term prospects. We vote against any uncapped or poorly-defined increase in bank borrowing powers or borrowing limits, issuances that would result in the company reaching an unacceptable level of financial leverage or a material reduction in shareholder value, or where such borrowing is expressly intended as part of a takeover defense.

E. Auditor Proposals

1. Ratification of Auditors **FOR**

We generally vote for proposals to ratify auditors, auditor remuneration and/or proposals authorizing the board to fix audit fees unless:

- 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;
- the name of the proposed auditor and/or fees paid to the audit firm are not disclosed by the company in a prior to the meeting;
- the auditors are being changed without explanation; or
- fees paid for non-audit related services are excessive and/or exceed fees paid for audit services or limits set by local best practice recommendations or law.

Where fees for non-audit services include fees related to significant one-time capital structure events, initial public offerings, bankruptcy emergence, and spinoffs, and the company makes public disclosure of the amount and nature of those fees, then such fees may be excluded from the non-audit fees considered in determining whether non-audit related fees are excessive.

2. Auditor Rotation **CASE-BY-CASE**

We evaluate auditor rotation proposals on a case-by-case basis taking into account the following factors: the tenure of the audit firm; establishment and disclosure of a review process whereby the auditor is regularly evaluated for both audit quality and competitive pricing; length of the rotation period advocated in the proposal; and any significant audit related issues.

3. Auditor Indemnification **AGAINST**

We generally vote against auditor indemnification and limitation of liability. However, we recognize there may be situations where indemnification and limitations on liability may be appropriate.

4. Annual Accounts and Reports (non-U.S.) **FOR**

Annual reports and accounts should be detailed and transparent and should be submitted to shareholders for approval in a timely manner as prescribed by law. They should meet accepted reporting standards such as those prescribed by the International Accounting Standards Board (IASB).

We generally approve proposals relating to the adoption of annual accounts provided that:

- The report has been examined by an independent external accountant and the accuracy of material items in the report is not in doubt;
  The report complies with legal and regulatory requirements and best practice provisions in local markets;
- the company discloses which portion of the remuneration paid to the external accountant relates to auditing activities and which portion relates to non-auditing advisory assignments;
- A report on the implementation of risk management and internal control measures is incorporated, including an in-control statement from company management;
- A report should include a statement of compliance with relevant codes of best practice for markets where they exist (e.g. for UK companies a statement of compliance with the Combined Code of Corporate Governance should be made, together with detailed explanations regarding any area(s) of non-compliance);
- A conclusive response is given to all queries from shareholders; and
- Other concerns about corporate governance have not been identified.

5. Appointment of Internal Statutory Auditor (JAPAN) **CASE-BY-CASE**

We evaluate these proposals on a case-by-case basis taking into account the work history of each nominee. If the nominee is designated as independent but has worked the majority of his or her career for one of the company's major shareholders, lenders or business partners, we consider the nominee affiliated and will withhold support.

F. Shareholder Access and Voting Proposals

1. Proxy Access **CASE-BY-CASE**

We review proxy access proposals on a case-by-case basis taking into account the parameters of proxy access use in light of a company's specific circumstances. We generally support proposals that provide shareholders with a reasonable opportunity to use the right without stipulating overly restrictive or onerous parameters for use and also provide assurances that the mechanism will not be subject to abuse by short-term investors, investors without a substantial investment in the company, or investors seeking to take control of the board.

2. Reimbursement of Proxy Solicitation Expenses (SP) **AGAINST**

In the absence of compelling reasons, we generally do not support such proposals.

3. Shareholder Ability to Call Special Meetings (SP) **CASE-BY-CASE**

We vote on a case-by-case basis on shareholder proposals requesting companies amend their governance documents (bylaws and/or charter) in order to allow shareholders to call special meetings.

4. Shareholder Ability to Act by Written Consent (SP) **AGAINST**

We generally vote against proposals to allow or facilitate shareholder action by written consent to provide reasonable protection of minority shareholder rights.

5. Shareholder Ability to Alter the Size of the Board **FOR**

We generally vote for proposals that seek to fix the size of the board and vote against proposals that give the board the ability to alter the size of the board without shareholder approval. While we recognize the importance of such proposals, these proposals may be forth in order to promote the agenda(s) of certain special interest groups and could be disruptive to the management of the company.

6. Cumulative Voting (SP) **AGAINST**

Having the ability to cumulate votes for the election of directors (i.e. to cast more than one vote for a director) generally increases shareholders' rights to effect change in the management of a corporation. However, we acknowledge that cumulative voting promotes special candidates who may not represent the interests of all, or even a majority, of shareholders. Therefore, when voting on proposals to institute cumulative voting, we evaluate all facts and circumstances surrounding such proposal and generally vote against cumulative voting where the company has good corporate governance practices in place, including majority voting for director elections and a de-classified board.

7. Supermajority Vote Requirements **FOR**

We generally support proposals that seek to lower supermajority voting requirements.

8. Confidential Voting **FOR**

We vote for shareholder proposals requesting that companies adopt confidential voting, use independent tabulators, and use independent inspectors of election as long as such proposals permit management to request that the dissident groups honor its confidential voting policy in the case of proxy contests.

We also vote for management proposals to adopt confidential voting.

9. Date/Location of Meeting (SP) **AGAINST**

We vote against shareholder proposals to change the date or location of the shareholders' meeting.

10. Adjourn Meeting if Votes Are Insufficient **AGAINST**

We generally vote against open-end requests for adjournment of a shareholder meeting. However, where management specifically states the reason for requesting an adjournment and the requested adjournment is necessary to permit a proposal that would otherwise be supported under this policy to be carried out, the adjournment request will be supported.

11. Disclosure of Shareholder Proponents (SP) **FOR**

We vote for shareholder proposals requesting that companies disclose the names of shareholder proponents. Shareholders may wish to contact the proponents of a shareholder proposal for additional information.

G. Environmental and Social Proposals

1. Environmental and Social Proposals (SP) **CASE-BY-CASE**

We recognize that the companies in which we invest may enhance shareholder value and long-term profitability by adopting policies and procedures that promote corporate social and environmental responsibility. Because of the diverse nature of environmental and social proposals and the myriad ways companies may address them, we consider these proposals on a case-by-case basis.

When evaluating these proposals, we consider the following factors:

- The financial implications of the proposal, including whether adoption of the proposal is likely to have significant economic benefit for the company, such that shareholder value is enhanced or protected by the adoption of the proposal;
- Whether the issues presented have already been effectively dealt with through governmental regulation; and
- Whether the requested information is available to shareholders either from the company or from a publicly available source.

H. Miscellaneous Proposals

1. Bundled Proposals — CASE-BY-CASE

We review on a case-by-case basis bundled or “conditioned” proposals. For items that are conditioned upon each other, we examine the benefits and costs of the bundled items. In instances where the combined effect of the conditioned items is not in shareholders’ best interests, we vote against the proposals. If the combined effect is positive, we support such proposals. In the case of bundled director proposals, we will vote for the entire slate only if we would have otherwise voted for each director on an individual basis.

2. Other Business — AGAINST

We generally vote against proposals to approve other business where we cannot determine the exact nature of the proposal(s) to be voted on.

Proxy Voting Guideline Summary

Shareholder Proposal		For	Against	Case-by-Case
A. Board and Director Proposals				
	1.a. Voting for Director Nominees in Uncontested Elections			x
	1.b. Voting for Director Nominees in Contested Elections			x
	2. Non-Disclosure of Board Nominees		x	
x	3. Majority Vote for Directors	x		
x	4. Separation of Chairman and CEO	x		
x	5. Independent Chairman			x
x	6. Lead Independent Directors	x		
x	7. Board Independence	x		
x	8. Board Size	x		
x	9. Classified Board	x		
	10. Tiered Boards (non-U.S.)	x		
x	11. Independent Committees	x		
	12. Adoption of a Board with Audit Committee Structure (JAPAN)	x		
	13. Non-Disclosure of Board Compensation		x	
	14. Director and Officer Indemnification and Liability Protection	x		
	15. Directors' Liability (non-U.S.)	x		
	16. Directors' Contracts (non-U.S.)			x
B. Compensation Proposals				
	1. Votes on Executive Compensation			x
x	2. Additional Disclosure on Executive and Director Pay	x		
	3. Frequency of Shareholder Votes on Executive Compensation	ONE YEAR		
	4. Golden Parachutes		x	
	5. Non-Executive Director Remuneration			x
	6. Approval of Annual Bonuses for Directors or Statutory Auditors (JAPAN)	x		
	7. Equity Compensation Plans			x
	8. Equity Compensation Plans (non-U.S.)			x
	9. Long-Term Incentive Plans (non-U.S.)			x
	10. Transferable Stock Options			x
	11. Approval of Cash or Cash-and-Stock Bonus Plans	x		

Shareholder Proposal		For	Against	Case-by-Case
	12. Employee Stock Purchase Plans	x		
	13. 401(k) Employee Benefit Plans	x		
	14. Pension Arrangements (non-U.S.)			x
x	15. Stock Ownership Requirements	x		
x	16. Stock Holding Periods		x	
x	17. Recovery of Incentive Compensation	x		
	C. Capital Structure Changes and Anti-Takeover Proposals			
	1. Increase to Authorized Shares	x		
	2. Blank Check Preferred Stock		x	
	3. Pre-Emptive Rights		x	
	4. Dual Class Capitalizations		x	
	5. Restructurings/Recapitalizations			x
	6. Share Repurchase Programs	x		
x	7. Targeted Share Placements			x
	8. Shareholder Rights Plans			x
	9. Shareholder Rights Plans (JAPAN)			x
	10. Reincorporation Proposals			x
x	11. Voting on State Takeover Statutes			x
	D. Mergers and Corporate Restructurings			
	1. Mergers and Acquisitions			x
	2. Nonfinancial Effects of a Merger or Acquisition		x	
	3. Spin-offs			x
	4. Asset Sales			x
	5. Liquidations			x
	6. Issuance of Debt (non-U.S.)			x
	E. Auditor Proposals			
	1. Ratification of Auditors	x		
	2. Auditor Rotation			x
	3. Auditor Indemnification		x	
	4. Annual Accounts and Reports (non-U.S.)	x		
	5. Appointment of Internal Statutory Auditor (JAPAN)			x
	F. Shareholder Access and Voting Proposals			
	1. Proxy Access			x
x	2. Reimbursement of Proxy Solicitation Expenses		x	
x	3. Shareholder Ability to Call Special Meetings			x
x	4. Shareholder Ability to Act by Written Consent		x	
	5. Shareholder Ability to Alter the Size of the Board	x		
x	6. Cumulative Voting		x	

Shareholder Proposal		For	Against	Case-by-Case
	7. Supermajority Vote Requirements	x		
	8. Confidential Voting	x		
x	9. Date/Location of Meeting		x	
	10. Adjourn Meeting if Votes Are Insufficient		x	
x	11. Disclosure of Shareholder Proponents	x		
G. Environmental and Social Proposals				
x	1. Environmental and Social Proposals			x
H. Miscellaneous Proposals				
	1. Bundled Proposals			x
	2. Other Business		x	