



impact capital

Nia Impact Capital

Proxy Voting Guidelines

Our Approach to Proxy Voting

We view proxy voting as both an investor right as well as a responsibility.

At Nia we invest in companies that meet our strict high impact, solutions-focused social and environmental standards with the understanding they will outperform over time. We seek companies that exhibit strong fundamentals and growth characteristics, offer unique products and/or services with high potential for long-term growth, and operate in a manner that makes clear the company's commitment to people, the planet and corporate social responsibility. That said, there is no perfect company and all companies have room for improvement. Each of the companies in our portfolios can benefit from shareholder input and expertise, particularly when it comes to diversity equity and inclusion efforts.

Nia considers the proxy ballot to be an opportunity to express to corporate leadership the importance of thoughtful long-term sustainable business strategies. We view the voting of our proxies as an important tool in communicating to companies our priorities and in encouraging the adoption of policies and practices that will benefit the company, employees and shareholders.

Our proxy voting guidelines seek to mirror the goals of Nia's investment portfolio construction, by focusing on how companies can strengthen the positive difference they are making. As we consider Board support, corporate structure, routine matters and shareholder submitted resolutions, we look for all opportunities to share and express Nia's belief that strong corporate citizens will outperform over the long term.

In this document we lay out Nia's approach to proxy voting and provide an explanation of our process for analysis as we make vote determinations. Each vote is decided on a case-by-case basis, incorporating a wide range of considerations. As such, not all votes will always align with the guidelines described below depending on individual circumstances. We update these guidelines as, and when, necessary to adopt them to the evolving set of issues and governance best practices addressed by corporate boards.

Broadly speaking, resolutions *will* be supported that strengthen positive long-term performance expectations of the company, increase our understanding of a company, or support broader sustainability goals without causing harm. Resolutions will *not* earn support if the request is at odds with the long-term health of the company or the broader social, environmental, or economic priorities of the Nia portfolio.

We believe all changes in corporate structure, financing, or operations must include board accountability and be considerate of key social and environmental issues. We hold high expectations of board oversight, particularly in accountability for efforts to achieve the UN Sustainable Development Goals.

We emphasize the importance of corporate transparency and disclosure and the reporting that companies will provide.

Proactive Engagement as Shareholders

Nia seeks to utilize its influence as an investor to encourage its holdings to better align with our investment thesis. Our companies have been selected for inclusion in Nia portfolios given their alignment with Nia's six key solutions themes. A company may, however, be in alignment with providing a solution in one theme, and still be able to strengthen its actions on other material social and environmental issues. For example, a company may have provided significant initial outperformance given its technological breakthroughs in renewable energy. Yet if this company has significant human capital management challenges and is not treating employees optimally, this issue will threaten its long-term ability to reach its promise, its goals and its potential. Nia understands that many of its companies can be strengthened and improved, and seeks to encourage positive change through its shareholder engagement program.

Nia actively communicates with our companies, working constructively with holdings to encourage their adoption of leading practices. We approach all of our companies as allies, developing carefully researched Environmental, Social and Governance recommendations, pairing these with educational materials tailored to each company. Outreach may include emails, letters, phone calls, zoom meetings, media placement, and when dialog is not moving constructively, shareholder resolutions. We view proxy voting as an important component of raising our voice, and of improving the performance of our portfolio.

Proxy Voting: Guiding Themes

Nia seeks to encourage forward movement and improvements of its companies in each vote that it casts. Nia seeks opportunities to proactively identify where corporate governance systems might be better aligned to reach social and financial outperformance goals.

Whatever the vote put before us, we seek to support the adoption of the best sustainability strategies for our companies. While we consider peer behaviors and “best practices,” our focus is primarily on what the best policy or practice should be at each individual company. In all of our votes, we seek to support our companies via increased transparency, accountability systems, and forward movement on the UN Sustainable Development Goals, particularly those addressing social justice and environmental priorities.

Accountability

Clear and effective accountability systems are essential for investors to have confidence that a company is well managed. Nia encourages companies to put in place accountability systems that include:

- stakeholder engagement forums
- public goal setting
- systems to monitor and improve policies and practices
- third party verification of material data
- explicit lines of responsibility for social and environmental issue management

Our confidence in companies increases as they demonstrate that they understand their key challenges and take responsibility for addressing them.

Transparency

Transparency is a key component of accountability. If we are to trust a company with our clients’ assets, the company should be willing to share meaningful data about its programs, policies and performance in a clear and timely way. Transparency is also necessary for us to be able to assess the effectiveness of a company’s current programs and to gauge the risk profile of our investment. We also rely on meaningful company disclosures in selecting between companies, as we wish to invest in those companies that lead with vision and defined strategy on sustainability topics.

We expect a company’s disclosures to at a minimum meet current industry best practices, if not exceed them. Nia companies should do more than comply with reporting standards. They should lead in their disclosure and transparency practices.

Given the ease with which reporting may be placed on a company’s website, lack of disclosure increasingly raises concerns that a company is either not managing an issue well or is unwilling to make public the data associated with its programs. Across all topic areas, in general, Nia can be expected to vote for those resolutions requesting increased data disclosure from a company. Support will be withheld, however, if the resolution requests data that would be of little additive value to the company or to other stakeholders or if the cost of collecting the data clearly outweighs the benefit this data would bring to the

company or its stakeholders. All companies are encouraged to have 3rd party audits of their public reporting; inclusive of the content shared in their sustainability reports and on their web pages.

UN Sustainable Development Goals

The United Nations Sustainable Development Goals are focused on the global challenges that need to be addressed in order to build a sustainable future. Nia seeks to invest in companies that are successful in service to the Goals. As we vote our proxies, we seek out opportunities to encourage corporate practices which improve their contributions to the achievement of these 17 Goals; No poverty, Zero hunger, Good health and well-being, Quality education, Gender equality, Clean water and sanitation, Affordable and clean energy, Decent work and economic growth, Industry, innovation and infrastructure, Reduced inequalities, Sustainable cities and communities, Responsible consumption and production, Climate action, Life below water, Life on land, Peace, justice and strong institutions, and Partnerships for the goals.

Corporate attention to these Goals aligns with our expectation that those companies that lead on environmental and social issues are best positioned to outperform over time. These companies are also the ones building the world we would like to see; they are the companies we wish to invest in and enable access to resources that enable growth. All proxy votes undertaken, regardless of the vote's explicit focus, look to understand potential implications – intended and unintended – on these Goals.

Within the Goals, we focus our attention for opportunities to encourage positive change across the following key issues:

Addressing Societal Inequity

Nia believes that as an investor it can --and must-- play a role in addressing social inequity and reducing bias and discrimination. This mandate is supported by economic incentives. It is estimated that, since 1990, the US economy has lost over \$50 Trillion to racial and ethnic inequality.¹ A key driver of revenue and financial performance is positive and healthy company culture. A workplace that tolerates harassment invites legal, brand, financial, and human capital risk.

Nia's focus on fair and equal employment opportunity is an essential component of Nia's investment thesis and aligns with its goals of supporting equality and racial justice. Nia seeks to ensure that every company within its portfolio includes People of Color and women in leadership, both at the Board and executive level. Nia also expects its companies

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<https://www.weforum.org/agenda/2021/09/racial-and-ethnic-inequality-has-cost-us-economy-51-trillion-since-1990/>

to have systems in place to ensure fair recruitment, hiring, retention, pay, and promotion practices at all levels, regardless of size.

Environmental Stewardship

Companies absolutely must be cognizant of their impact on the ecosystem. They must also understand and plan for changing environmental conditions which may undermine (or enhance) their business strategies, impacting demand for their products, resource availability and supply chain efficiency. While our investment strategy begins with identifying solutions providers to our planet's greatest risks, we also seek to assess our companies' contributions to, and ability to improve or adapt to conditions related to, water scarcity, oceans acidification and plasticization, ecosystem disruption and deforestation, and toxic releases. Nia is particularly attentive to the underlying issues associated with climate change and the strategies our companies are taking to provide solutions for mitigation and adaptation, in addition to measures they must take to reduce their own direct and indirect emissions as well as to adapt to climate disruptions.

Board specific considerations include, yet are not limited to, whether the board provides sufficient oversight of climate strategy, if the board has sufficient climate expertise, if the board has put in place sufficient incentives for management, if the board acknowledges climate change as a material risk (and /or opportunity) to the company and if the board is responsive to shareholder engagement.

Governance Expectations

A company's corporate governance structure is of utmost importance in ensuring it effectively executes its corporate vision and strategy. Nia looks to support governance structures that encourage accountability and transparency, ensure necessary expertise, increase the ability of stakeholders to offer their feedback, and assign appropriate incentives and rewards to executives and managers.

Board member support

While voting on resolutions is important, one of the most impactful items we are able to do as investors is to weigh in on who our Board representatives are. Nia expects Board members to provide oversight and strategic guidance to their companies. We expect them to be leaders, advocates, and communicators. We want them to be exceptional in their participation and responsibilities, not simply placeholders. In order for a Board member to receive a support vote, we expect that they will:

- Have sufficient qualification and expertise across the Board in order to well manage those social and environmental issues most pressing to the company.

- Support shareholder requests for proactive management of key sustainability challenges, such as: climate change, development of racial equity or civil rights audits, and increased disclosure of workplace equity data.

We also expect that the Board itself will have a level of diversity that reflects the population which utilizes the products and services of the company. For those companies lacking in sufficient diverse representation, support from the Nominating Chair will be first be withheld. If improvements are not made, support will be withheld from the Nominating Committee. If improvements are still not made, support will then be withheld from the full Board.

Nia will vote against the entire board of directors of a company that does not have at least two women and one self-identified non-White board members. Nia will also vote against directors on a board's nominating committee if the company does not have clear policies which guide gender and race diversity in the consideration of new board members.

Application of Guidelines

The following provide examples of how Nia would vote on specific ballot measures.

Part 1: Management Proposals

Board of Directors

Given our expectations of the Board, we focus on four key elements of corporate governance:

- Board composition and role of directors In general, Nia will support actions which increase Board independence and diversity, encourage equitable Board member nominations, allow for pertinent expertise, set appropriate Board and executive compensation and assessment criteria, removes share classification, annualizes Director elections, holds board size to a reasonable range and increases the effectiveness of Board Committee performance. Nia will also withhold support from directors that were in leadership roles at other companies where significant concerns surrounding financial, environmental, social or governance existed during the time of their tenure.
- Oversight In general, Nia will support actions which separate the Chair and the CEO roles, sets Board oversight as independent from management, encourage attention to social and environmental issues, reduce broader cultural inequality, provide greater clarity on CEO and management succession, increase Board oversight of risk, quality of external audits, and delineates responsibility.
- Corporate structure In general, Nia will support corporate structures which encourage corporate citizenship, benefit investors, increase accountability to investors, and protect or improve the quality of work for employees.

- Responsiveness to shareholders In general, Nia will support actions which increase shareholder voice, without undermining the ability of the Board of Directors to implement long-term strategic goals.

Elect Directors

- **Withhold** votes from **all** nominees **if** the board lacks an audit, compensation, or nominating committee.
- When Nia staff is able to obtain diversity data, vote **for** non-white male board members.
- **Withhold** votes from all male nominees if the board does not include at least half female directors; vote **for** female nominee(s), unless the female nominee(s) do not pass other Nia director qualifications.
- **Withhold** votes from all nominees if the board does not include members of underrepresented groups; vote **for** nominee(s) from underrepresented groups, unless these nominees do not pass other Nia director qualifications.
- When gender, ethnic, or other identity-based diversity data is provided in a proxy statement, generally vote **for** any directors who bring diversity to the board, including age diversity, barring other governance concerns.
- **Withhold** votes from **all** nominees **if** the board did not act to implement a policy requested by a shareholder proposal that received majority voting support in the prior two years.
- **Withhold** votes from **all** nominees **if** the board adopted or renewed a poison pill, without shareholder approval during the current or prior year.
- **Withhold** votes from **any** non-independent or employee nominee who serves on the audit, compensation, or nominating committee (US companies only, case-by-case basis for foreign domiciled companies).
- **Withhold** votes from **any** non-independent nominee if 50% or more of the directors are not independent.
- **Withhold** votes from **any** nominee who serves on the compensation committee if named executive compensation is deemed to be excessive relative to revenues/net sales, earnings or other factors.
- Generally, **Withhold** votes from **any** nominee who serves on the audit committee **if** the fees paid by the company for non-audit services in the prior fiscal year exceed 25% of the aggregate fees paid to the company's outside auditor.
- Generally, **Withhold** votes from **any** nominee who attended less than 75% of the board and committee meetings that they were scheduled to attend during the previous fiscal year.

Approve Board Size

- Vote **against if** the proposal reduces the board size and the company has cumulative voting.
- Generally, vote **against if** the proposed maximum board size is greater than **13** directors.
- Generally, vote **against if** the proposed minimum board size is less than **5** directors.
- Generally, vote **against** a management proposal to give the board the authority to set the size of the board as needed without shareholder approval.

Removal of Directors

- Vote against if the proposal limits the removal of directors to cases where there is legal cause.
- Vote against if the proposal would allow for the removal of directors without cause.
- Generally, vote against a management proposal to allow the directors to fill vacancies on the board without shareholder approval.

Approve Classified Board

- Generally, vote **against** a management proposal to adopt a classified board. However, in cases where a hostile takeover attempt is underway, this may be an important protection.

Repeal Classified Board

- Generally, vote **for** a management proposal to repeal classified board.

Adopt Director Liability Provision

- Generally, vote **against** a management proposal to limit the liability of directors.

Capital Structures

- Increase Authorized Common Stock
- Vote **against if** the increase is intended for a stock split
- Generally, vote **against if** the increase is an anti-takeover defense, unless Nia agrees with management, on a case-by-case basis

Approve Common Stock Issuance

- Generally, vote **against if** the dilution represents more than 20% of current outstanding voting power before the stock issuance.
- Generally, vote **against if** the stock would be issued at a discount to the fair market value.
- Generally, vote **against if** the issued common stock has superior voting rights.

Approve Issuance or Exercise of Stock Warrants

- Vote **against if** the warrants, when exercised, would exceed 20% of the outstanding voting power.

Authorize Preferred Stock

- Generally, vote **against if** the board has unlimited rights to set the terms and conditions of the shares.

Increase Authorized Preferred Stock

- Generally, vote **against if** the board has unlimited rights to set the terms and conditions of the shares.

Approve Issuance or Conversion of Preferred Stock

- Generally, vote **against if** the shares have voting rights superior to those of other shareholders.

Authorize Dual Class Stock

- Generally, vote **against if** the shares have inferior or superior voting rights.

Increase Authorized Dual Class Stock

- Generally, vote **against if** it will allow the company to issue additional shares with superior voting rights

Approve Stock Split

- Generally, vote **against** a management proposal to approve a stock split

Approve Reverse Stock Split

- Vote **against if** the company does not intend to proportionally reduce the number of authorized shares.

Approve Stock Repurchase Program

- Generally, vote **against**, unless the company intends to utilize the repurchased shares to fulfill its obligations to employees pursuant to approved incentive plans.

Changes to Corporate Structure

Approve Merger/Acquisition

- Given the multitude of factors that influence a merger/acquisition and the material financial impact that M&A activity may have on a client's portfolio, Nia votes

mergers/acquisitions on a case-by-case basis. As with any vote on a client's behalf, our first and foremost consideration is the vote's financial materiality for our clients. Factors considered by the Investment Committee include, yet are not limited to, the following:

- o Offer price versus Investment Committee's valuation versus market price
- o Restrictions on or termination of share classes as a result of merger
- o Whether the clients' shares will become subordinate as a result of the merger
- o Whether entity resulting from merger/acquisition will qualify as a Next Economy company
- o Societal and justice considerations of the merger/acquisition
- Generally, vote **against if** the company's board did not obtain a fairness opinion from a professional third party.

Approve Reincorporation

- Generally, vote **against if** the proposal would reduce shareholder rights.

Approve Leveraged Buyout

- Vote **against if** the company's board did not obtain a fairness opinion from a professional third party.

Eliminate Cumulative Voting

- Generally, vote **against** a management proposal to eliminate cumulative voting.

Adopt Cumulative Voting

- Generally, vote **for** a management proposal to adopt cumulative voting.

Amend Bylaws to Implement Majority Voting

- Generally, vote **for** a management proposal to implement majority voting.

Takeover Defense Activity

Adopt Poison Pill

- Generally, vote **against if** the company has a classified board
- Vote **against if** the poison pill does not have a "sunset" provision.
- Vote **against if** the poison pill does not have a TIDE provision. (Three-Year Independent Director Evaluation.)
- Vote **against if** the poison pill trigger is less than **20%**.

Eliminate Special Meeting

- Generally, vote **against** a management proposal to eliminate shareholders' right to call a special meeting.

Limit Special Meeting

- Generally, vote **against** a management proposal to limit shareholders' right to call a special meeting.

Restore Special Meeting

- Generally, vote **for** a management proposal to restore shareholders' right to call a special meeting.

Eliminate Written Consent

- Generally, vote **against** a management proposal to eliminate shareholders' right to act by written consent.

Limit Written Consent

- Generally, vote **against** a management proposal to limit shareholders' right to act by written consent.

Restore Written Consent

- Generally, vote **for** a management proposal to restore shareholders' right to act by written consent.

Adopt Supermajority Requirement

- Generally, vote **against** a management proposal to establish a supermajority vote provision to approve merger or other business combination.

Amend Supermajority Requirement

- Vote **against if** the amendment would increase the vote required to approve the transaction.
- Vote **against if** the amendment increases the vote requirement above **50%** of the outstanding shares.

Eliminate Supermajority Requirement

- Generally, vote **for** a management proposal to eliminate a supermajority vote provision to approve merger or other business combination.

Adopt Supermajority Lock-In

- Generally, vote **against** a management proposal to adopt supermajority vote requirements (lock-ins) to change certain bylaw or charter provisions.

Amend Supermajority Lock-In

- Vote **against if** the changes would increase the vote requirement above **50%** of the outstanding shares.
- Vote **against if** the changes would result in a complete Lock-In on all of the charter and bylaw provisions.

Eliminate Supermajority Lock-In

- Generally, vote **for** a management proposal to eliminate supermajority vote requirements (lock-ins) to change certain bylaw or charter provisions.

Adopt Fair Price Provision

- Generally, vote **for** a management proposal that establishes a fair price provision.

Repeal Fair Price Provision

- Generally, vote **against** a management proposal to repeal a fair price provision.

Adopt Anti-Greenmail Provision

- Generally, vote **for** a management proposal to limit the payment of greenmail.

Adopt Advance Notice Requirement

- Generally, vote **against** a management proposal to adopt advance notice requirements.

Opt Out of State Takeover Law

- Generally, vote **against** a management proposal seeking to opt out of a state takeover statutory provision.
- Opt Into State Takeover Law
- Generally, vote **for** a management proposal seeking to opt into a state takeover statutory provision.

Compensation & Incentive Plans

- Approve, on an Advisory Basis, Named Executive Officer Compensation Vote **against if** named executive compensation is deemed to be excessive relative to revenues/net sales and earnings, or proxy materials are limited in scope and analysis.
- Vote **against if** compensation plan awards are based on per-share metrics

- Vote **for if** named executive compensation is reasonable given current company incentive programs and recent achievements.
- Vote **against if** any non-independent director serves on the compensation committee.
- Recommend, on an Advisory Basis, the Frequency of the Stockholder Vote to Approve Executive Compensation
- Always vote **1 year** when the frequency of stockholder vote to approve executive compensation is proposed.

Adopt Employee Stock Ownership Plans

- Vote **against if** the plan dilution is more than **10%**.
- Vote **against if** the plan allows non-qualified options to be priced at less than **80%** of the fair market value on the grant date.
- Vote **against if** there is not a cap on shares that can be purchased.
- Vote **against if** the company does not expense shares.

Adopt Long-Term (Stock) Incentive Plan

- Vote **against if** the plan dilution is more than **10%**.
- Vote **against if** the plan allows non-qualified options to be priced at less than **80%** of the fair market value on the grant date.
- Vote **against if** the plan has a share replenishment feature (evergreen plan) – that is, it adds a specified number or percentage of outstanding shares for awards each year.
- Vote **against if** the plan allows for multiple awards and does not set a limit on the number of shares that can be granted as an award other than options.
- Vote **against if** the plan permits the award of time-lapsing restricted stock that fully vest in less than **3** years.
- Vote **against if** the company does not expense stock options.
- Vote **against if** the minimum vesting period for options granted under it is less than **3** years.

Amend Long-Term (Stock) Incentive Plan

- Vote **against if** the amendment allows options to be priced at less than **80%** fair market value on the grant date.
- Vote **against if** the amendment adds time-lapsing restricted stock awards that fully vest in less than **3** years.
- Vote **against if** the amendment allows for multiple awards and does not set a limit on the number of shares that can be granted as awards other than options.

Add Shares to Long-Term (Stock) Incentive Plan

- Vote **against if** the dilution is more than **10%**.
- Vote **against if** the plan allows non-qualified options to be priced at less than **80%** of the fair market value on the grant date.
- Vote **against if** the plan does not set a limit on the number of shares that can be granted as awards other than options.
- Vote **against if** the plan permits the award of time-lapsing restricted stock that fully vest in less than **3** years.
- Vote **against if** the company does not expense stock options.
- Vote **against if** the minimum vesting period for options granted under it is less than **3** years.

Extend Term of Stock Incentive Plan

- Vote **against if** the compensation committee is not fully independent.
- Vote **against if** the plan allows non-qualified options to be priced at less than **80%** of the fair market value on the grant date.
- Vote **against if** the plan allows for multiple awards and does not set a limit on the number of shares that can be granted as awards other than options.
- Vote **against if** the plan permits the award of time-lapsing restricted stock that fully vest in less than **3** years.
- Vote **against if** the proposed plan allows for the accelerated vesting of awards upon shareholder approval of a merger or similar business transaction.
- Vote **against if** the company does not expense stock options.
- Vote **against if** the minimum vesting period for options granted under it is less than **3** years.

Amend Director Stock Incentive Plan

- Vote **against if** the amendment would permit the granting of non-formula, discretionary awards.
- Vote **against if** the amendment would provide an incentive to receive shares instead of cash.
- Vote **against if** the amendment adds time-lapsing restricted stock awards that fully vest in less than **3** years.

Amend Director Stock Award Plan

- Vote **against if** the amendment adds time-lapsing restricted stock that vest in less than **3** years.
- Vote **against if** the amendment would permit the granting of non-formula, discretionary awards.

- Vote **against if** the proposed amendment would include an incentive to receive shares instead of cash.

Adopt Employee Stock Purchase Plan

- Vote **against if** the proposed plan allows employees to purchase stock at less than **80%** of the stock's fair market value.
- Vote **against if** the equity dilution is more than 10%.

Amend Employee Stock Purchase Plan

- Vote **against if** the proposal allows employees to purchase stock at prices of less than **80%** of the stock's fair market value.

Add Shares to Employee Stock Purchase Plan

- Vote **against if** the proposal allows employees to purchase stock at prices of less than **80%** of the stock's fair market value.

Approve Savings Plan

- Always vote **for** a management proposal to adopt a savings plan.

Approve Option/Stock Awards

- Vote **against if** the option/stock award is priced less than **80%** of the fair market value on the grant date.
- Vote **against if** the award is time-lapsing stock that fully vest in less than **3** years.
- Vote **against if** the option is not premium-priced or indexed, or does not vest based on future performance.

Other Management Proposals

Ratify Selection of Auditors

- Generally, vote **against if** the non-audit, non-tax services (i.e., "other fees") exceed **25%** of total fees.

Approve Employment Agreements

- Generally, vote **for** a management proposal to approve an employment agreement or contract.

Approve Non-Technical Charter Amendments

- Generally, vote **against** any amendment that would have the effect of reducing shareholders' rights.

Approve Non-Technical Bylaw Amendments

- Generally, vote **against** if an amendment that would have the effect of reducing shareholders' rights.

Part 2: Shareholder Proposals

Board of Directors and Governance

Adopt Confidential Voting

- Generally, vote **for** a shareholder proposal asking the board to adopt confidential voting and independent tabulation of the proxy ballots.

Counting Shareholder Votes

- Generally, vote **for** a shareholder proposal asking the company to refrain from counting abstentions and broker non-votes in vote tabulations.

No Discretionary Voting

- Generally, vote **for** a shareholder proposal to eliminate the company's discretion to vote unmarked proxy ballots.

Equal Access to the Proxy

- Generally, vote **for** a shareholder proposal to provide equal access to the proxy materials for shareholders.

Improve Meeting Reports

- Generally, vote **for** a shareholder proposal to improve annual meeting reports.

Board Inclusiveness

- Generally, vote **for** a shareholder proposal asking the board to include more women and minorities as directors.

Increase Board Independence

- Generally, vote **for** a shareholder proposal seeking to increase board independence.

Minimum Stock Ownership by Directors

- Generally, vote **for** a shareholder proposal to require minimum stock ownership by directors.

Allow Union/Employee Representatives on the Board

- Generally, vote **for** a shareholder proposal that seeks to provide for union or employee representatives on the board of directors.

Directors' Role in Corporate Strategy

- Generally, vote **for** a shareholder proposal seeking to increase disclosure regarding the board's role in the development and monitoring of the company's long-term strategic plan.

Increase Nominating Committee Independence

- Generally, vote **for** a shareholder proposal to increase the independence of the nominating committee.

Increase Compensation Committee Independence

- Generally, vote **for** a shareholder proposal to increase the independence of the compensation committee.

Increase Audit Committee Independence

- Generally, vote **for** a shareholder proposal to increase the independence of the audit committee.

Increase Key Committee Independence

- Generally, vote **for** a shareholder proposal to increase the independence of key committees.

Create Nominating Committee

- Vote **for** a shareholder proposal to create a nominating committee of the board.

Create Shareholder Committee

- Generally, vote **for** a shareholder proposal urging the creation of a shareholder committee.

Independent Board Chairman

- Generally, vote with management recommendations, **except** in cases where there is not an independent lead director and the Chairman is an insider.

Lead Director

- Vote **for** a shareholder proposal asking that a lead director be chosen from among the ranks of non-employee directors, if there is no independent lead director.

Adopt Cumulative Voting

- Generally, vote **for** a shareholder proposal calling for the adoption of cumulative voting.

Require Nominee Statement in Proxy

- Generally, vote **for** a shareholder proposal to require directors to place a statement of candidacy in the proxy statement.

Double Board Nominees

- Shareholder proposals to nominate two director candidates for each open board seat require specific analysis on a case-by-case basis

Director Liability

- Vote **for** a shareholder proposal to make directors liable for acts or omissions that constitute a breach of fiduciary care resulting from a director's gross negligence and/or reckless or willful neglect.

Repeal Classified Board

- Generally, vote **for** a shareholder proposal to repeal a classified board, however careful analysis is critical in hostile takeover situations.

Lower Threshold for Special Meeting

- Generally, vote **against** a shareholder proposal that lowers the ownership threshold required to call a special meeting.

Proxy Access Amendments

- Generally, vote **against** a shareholder proposal to increase shareholder proxy access, which typically increases the number of shareholder-nominated candidates for the Board.

Auditors

Shareholder Approval of Auditors

- Always vote **for** a shareholder proposal calling for stockholder ratification of auditors.

Auditors Must Attend Annual Meeting

- Generally, vote **for** a shareholder proposal calling for the auditors to attend the annual meeting.

Limit Consulting by Auditors

- Generally, vote **for** a shareholder proposal calling for limiting consulting by auditors.

Takeover Defense Activity

Redeem or Vote on Poison Pill

A "Poison pill" is the term for a defense strategy used by the directors of a public company to prevent activist investors, competitors, or other would-be acquirers from taking control of the company by buying up large amounts of its stock.

- Generally, vote **for** a shareholder proposal asking the board to redeem or to allow shareholders to vote on a poison pill shareholder rights plan.

Eliminate Supermajority Provision

- Generally, vote **for** a shareholder proposal that seeks to eliminate supermajority provisions.

Reduce Supermajority Provision

- Generally, vote **for** a shareholder proposal that seeks to reduce supermajority provisions.

Restore Right to Call a Special Meeting

- Generally, vote **for** a shareholder proposal to restore shareholders' right to call a special meeting.

Restore Right to Act by Written Consent

- Generally, vote **for** a shareholder proposal to restore shareholders' right to act by written consent.

Prohibit Targeted Share Placement

- Generally, vote **for** a shareholder proposal to limit the board's discretion to issue targeted share placements or to require shareholder approval before such block placements can be made.

Opt Out of State Takeover Statute

- Generally, vote **for** a shareholder proposal seeking to force the company to opt out of a state takeover statutory provision.

Reincorporation

- Generally, vote **against if** the new state has stronger anti-takeover provisions.

Adopt Anti-Greenmail Provision

- Generally, vote **for** a shareholder proposal to limit greenmail payments.

Compensation & Incentive Plans

Restrict Executive Compensation

- Generally, vote **against if** the proposal limits executive pay without linking compensation to financial performance.

Disclose Executive Compensation

- Generally, vote **for** a shareholder proposal to enhance the disclosure of executive compensation.

Restrict Director Compensation

- Generally, vote **for** a shareholder proposal to restrict director compensation.

Pay Directors in Stock

- Generally, vote **against if** the resolution would require directors to receive their entire compensation in the form of company stock.

Approve Executive Compensation

- Vote **for** a shareholder proposal calling for shareholder votes on executive pay.

Restrict Director Pensions

- Generally, vote **for** a shareholder proposal calling for the termination of director retirement plans.

Review/Report on/Link Executive Pay to Social Performance

- Generally, vote **for** a shareholder proposal that asks management to review, report on and/or link executive compensation to non-financial criteria, particularly social criteria.

No Repricing of Underwater Options

- Generally, vote **for** a shareholder proposal seeking shareholder approval to reprice or replace underwater stock options.

Golden Parachutes

- Generally, vote **for** a shareholder proposal calling for a ban on excessive golden parachutes.

- Generally, vote **for** a shareholder proposal calling for a shareholder vote on future golden parachutes.

Award Performance-Based Stock Options

- Generally, vote **for** a shareholder proposal seeking to award performance based stock options.

Expense Stock Options

- Vote **for** a shareholder proposal establishing a policy of expensing the costs of all future stock options issued by the company in the company's annual income statement.

Create Compensation Committee

- Vote **for** a shareholder proposal to create a compensation committee.

Hire Independent Compensation Consultant

- Generally, vote **for** a shareholder proposal to require that the compensation committee hire its own independent compensation consultants-separate from the compensation consultants working with corporate management-to assist with executive compensation issues.

Corporate Influence

Review Charitable Giving Policy

- Vote **against if** the company has a well-managed program or the proposal will be unduly burdensome.

Review Political Spending

- Generally, vote **for** a shareholder proposal that asks the company to increase disclosure of political spending and activities.

Report on Political Involvement and Values Congruency

- Generally, vote **for** a shareholder proposal that asks the company to report on corporate values congruency with political spending and activities.

Disclose Prior Government Service

- Generally, vote **for** a shareholder proposal requesting disclosure of company executives' prior government service.

Environmental Issues

Review Energy Efficiency & Renewables

- Generally, vote **for** a shareholder proposal that asks the company to review its reliance on nuclear and fossil fuels, its development or use of solar and wind power, or its energy efficiency.

Endorse Ceres Principles and UN Sustainable Development Goals

- Generally, vote **for** a shareholder proposal that asks management to endorse the Ceres principles or UN Sustainable Development Goals.

Control Generation of Pollutants

- Generally, vote **for** a shareholder proposal that asks the company to control generation of pollutant(s).

Report on Environmental Impact or Plans

- Generally, vote **for** a shareholder proposal that asks the company to report on its environmental impact or plans.

Report or Take Action on Climate Change

- Generally, vote **for** a shareholder proposal that asks management to report or take action on climate change.
- Generally, vote **for** a shareholder resolution that asks companies to review their contribution to climate change, their preparation for adaptation, or their ability to adapt their own service offering.
- Generally, vote **for** a shareholder resolution that asks for data and strategy related to a company's primary, secondary, and tertiary climate impacts.
- Generally, vote **for** a shareholder resolution that asks for the alignment of corporate policies and practices with the need for corporate climate leadership.
- Generally, vote **for** a shareholder resolution that seeks net zero goals.

Review Genetic Engineering

- Generally, vote **for** a shareholder proposal that asks management to report on or label bioengineered products.

Preserve/Report on Natural Habitat

- Vote **for** a shareholder proposal that asks the company to preserve natural habitat.

Report on Sustainability

- Generally, vote **for** a shareholder proposal requesting reports on sustainability related issues or topics.

Human Rights, Labor, & Social Issues

Develop/Report on Human Rights Policy

- Generally, vote **for** a shareholder proposal that asks the company to develop or report on human rights policies.

Review Operations' Impact on Local Groups

- Generally, vote **for** a shareholder proposal that asks the company to review its operations' impact on local groups.

No Use of Forced Labor (China and other countries)

- Vote **for** a shareholder proposal that asks management to certify that company operations are free of forced labor.

Adopt Code of Conduct (China)

- Generally, vote **for** a shareholder proposal that asks management to implement and/or increase activity on each of the principles of the U.S. Business Principles for Human Rights of Workers in China.

Improve Recruitment or Nomination Process

- Generally, vote **for a shareholder** proposal that asks the company or Board to take steps to increase the diversity of candidates of nominating pools.

Report on workforce diversity and inclusion

- Generally, vote **for** a shareholder proposal that asks management to report on the company's diversity and inclusion policies and programs, including releasing its EEO-1 forms or other statistical data.

Drop Employee Protections from Equal Employment Policy

- Vote **against** a shareholder proposal that asks management to drop sexual orientation, gender identity or any other employee group that has historically faced societal harassment or discrimination from the company's equal employment opportunity policy.

Adopt Anti-Bias Policy

- Vote **for** a shareholder proposal that asks management to adopt anti-bias policies or protections for any employee group that has historically faced societal harassment or discrimination.

Review Foreign WorkForce Conditions

- Generally, vote **for** a shareholder proposal that asks management to report on or review foreign operations.

Adopt Standards for Foreign Operations

- Generally, vote **for** a shareholder proposal that asks management to adopt standards for foreign operations.

Review or Implement MacBride Principles

- Generally, vote **for** a shareholder proposal that asks management to review or implement the MacBride principles.

Urge MacBride on Contractor/Franchisee

The MacBride Principles are a corporate code of conduct for U.S. companies doing business in Northern Ireland. They consist of nine fair employment principles, and have become the Congressional standard for all US aid to, or for economic dealings with, Northern Ireland.

- Generally, vote **for** a shareholder proposal that asks the company to encourage its contractors and franchisees to implement the MacBride principles.

Review Global Labor Practices

- Generally, vote **for** a shareholder proposal that asks management to report on or review its global labor practices or those of their contractors.

Increase Board Oversight or Expertise on Human Rights Issues

- Generally, vote **for** a shareholder proposal that seeks increased Board oversight or expertise of global labor practices.

Monitor/Adopt ILO Conventions

- Generally, vote **for** a shareholder proposal that asks management to adopt, implement or enforce a global workplace code of conduct based on the International Labor Organization's (ILO) core labor conventions.

Conduct Racial Equity or Civil Rights Audit

- Generally, vote **for** a shareholder proposal requesting that company conduct a civil rights or racial equity audit.

Military Involvement

Review Foreign Military Sales

- Generally, vote **for** a shareholder proposal that asks management to report on the company's foreign military sales or foreign offset activities.

Review Military Contracting Criteria

- Generally, vote **for** a shareholder proposal that asks management to develop social, economic and ethical criteria that the company could use to determine the acceptability of military contracts and to govern the execution of the contracts.

Other Shareholder Proposals

Review Developing Country Debt

- Generally, vote **for** a shareholder proposal asking the company to review its developing country debt and lending criteria and to report to shareholders on its findings.

Review Social Impact of Financial Ventures

- Generally, vote **for** a shareholder proposal that requests a company to assess the environmental, public health, human rights, labor rights or other socioeconomic impacts of its credit decisions.

Review Fair Lending Policy

- Vote **for** a shareholder proposal requesting reports and/or reviews of plans and/or policies on fair lending practices.

Review Plant Closings

- Generally, vote **for** a shareholder proposal that asks the company to establish committees to consider issues related to facilities closure and relocation of work.

Review or Promote Animal Welfare

- Generally, vote **for** a shareholder proposal that asks management to review or promote animal welfare.

Review Drug Pricing or Distribution

- Generally, vote **for** a shareholder proposal that asks the company to report or take action on pharmaceutical drug pricing or distribution.

Restore Preemptive Rights

- Generally, vote **for** a shareholder proposal to restore preemptive rights.

Study Sale or Spin-Off

- Generally, vote **for** a shareholder proposal asking the company to study sales, spin-offs or other strategic alternatives.