

CLEAN YIELD ASSET MANAGEMENT

PROXY VOTING IMPLEMENTATION GUIDELINES

2014

ISS

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2014 CLEAN YIELD ASSET MANAGEMENT POLICY IMPLEMENTATION GUIDELINES

Uncontested Director Elections	CLEAN YIELD ASSET MANAGEMENT POLICY
Problematic Takeover Defenses	<p>Vote against/withhold from the entire board (except new nominees, who should be considered on a case-by-case basis) if:</p> <ul style="list-style-type: none"> - The board lacks accountability and oversight, coupled with sustained poor performance relative to peers - The company's poison pill has a "dead-hand" or "modified dead-hand" feature (vote against/withhold every year until this feature is removed). - The board adopts a long-term pill, renews an existing pill including any "short-term pill" without shareholder approval. - The board makes adverse material change to an existing poison pill without shareholder approval. <p>Vote case-by-case on all nominees if the board adopts a poison pill with a term of 12 months or less ("short-term pill") without shareholder approval, taking into account the following factors:</p> <ul style="list-style-type: none"> - The date of the pill's adoption relative to the date of the next meeting of shareholders, - The issuer's rationale, - The issuer's governance structure and practices, and - The issuer's track record of accountability to shareholder.
Problematic Audit Related Practices	<p>Vote against/withhold from Audit Committee members if:</p> <ul style="list-style-type: none"> - More than 50 percent of the total fees paid to the auditor are attributable to non-audit work. - The company receives an adverse opinion on the company's financial statements from the auditor. - The company entered into an inappropriate indemnification agreement with its auditor. <p>Vote case-by-case on members of the Audit Committee and/or the full board if poor accounting practices are identified that rise to a level of serious concern, such as fraud, misapplication of GAAP, and material weaknesses identified in Section 404 disclosures.</p>
Problematic Compensation Practices	<p>In the absence of an Advisory Vote on Executive Compensation ballot item, or, in egregious situations, vote against/withhold from the Compensation Committee and potentially the full board if:</p> <ul style="list-style-type: none"> - There is a significant misalignment between CEO pay and company performance. - The company has problematic pay practices including options backdating, excessive perks and overly

	<p>generous employment contracts, etc.</p> <ul style="list-style-type: none"> - The board exhibits a significant level of poor communication and responsiveness to shareholders. - The company reprices underwater options for stock, cash, or other consideration. - The company fails to submit one-time transfers of stock options to a shareholder vote. - The company fails to fulfill the terms of a burn rate commitment made to shareholders. <p>Vote case-by-case on Compensation Committee members (or, in exceptional cases, the full board) and the Management Say-on-Pay Proposal if the company's previous say-on-pay proposal received the support of less than 70 percent of votes cast, taking into account:</p> <ul style="list-style-type: none"> - The company's response, including: (a) disclosure of engagement efforts with major institutional investors regarding the issues that contributed to the low level of support, (b) specific actions taken to address the issues that contributed to the low level of support, (c) other recent compensation actions taken by the company; - Whether the issues raised are recurring or isolated; - The company's ownership structure; and - Whether the support level was less than 50 percent, which would warrant the highest degree of responsiveness. <p>Vote against if the nominee is an incumbent member of the compensation committee and the board failed to adopt the annual frequency.</p> <p>Vote against if the nominee is an incumbent member of the compensation committee and the CEO compensation exceeds \$5,000,000.</p>
Environmental, Social and Governance (ESG) Failures	<p>Vote against/withhold from directors individually, committee members, or potentially the entire board due to:</p> <ul style="list-style-type: none"> - Material failures of governance, stewardship, risk oversight*, or fiduciary responsibilities at the company including failure to adequately guard against or manage ESG risks; - Failure to replace management as appropriate; or - Egregious actions related to the director(s)' service on other boards that raise substantial doubt about his or her ability to effectively oversee management and serve the best interests of shareholders at any company. <p><i>*Examples of failure of risk oversight include, but are not limited to: bribery, large or serial fines or sanctions from regulatory bodies, significant environmental incidents including spills and pollution, large scale or repeat workplace fatalities or injuries, significant adverse legal judgments or settlements, hedging of company stock, or significant pledging of company stock.</i></p>

Board Responsiveness	<p>Vote case-by-case on individual directors, committee members, or the entire board of directors as appropriate if:</p> <ul style="list-style-type: none"> - The board failed to act on a shareholder proposal that received the support of a majority of the shares cast in the previous year. Factors that will be considered are: <ul style="list-style-type: none"> o Disclosed outreach efforts by the board to shareholders in the wake of the vote, o Rationale provided in the proxy statement for the level of implementation, o The subject matter of the proposal, o The level of support for and opposition to the resolution in past meetings, o Actions taken by the board in response to the majority vote and its engagement with shareholders, o The continuation of the underlying issue as a voting item on the ballot (as either shareholder or management proposals), and o Other factors as appropriate; - The board failed to act on takeover offers where the majority of shares are tendered; - At the previous board election, any director received more than 50 percent withhold/against votes of the shares cast and the company has failed to address the issue(s) that caused the high withhold/against vote; - The board implements an advisory vote on executive compensation on a less frequent basis than the frequency that received the majority of votes cast at the most recent shareholder meeting at which shareholders voted on the say-on-pay frequency; or - The board implements an advisory vote on executive compensation on a less frequent basis than the frequency that received a plurality, but not a majority, of the votes cast at the most recent shareholder meeting at which shareholders voted on the say-on-pay frequency, taking into account: <ul style="list-style-type: none"> o The board's rationale for selecting a frequency that is different from the frequency that received plurality, o The company's ownership structure and vote results, o Social Advisory Services' analysis of whether there are compensation concerns or a history of problematic compensation practices, and o The previous year's support level on the company's say-on-pay proposal.
Director Independence	<p>Vote against/withhold from the entire slate of directors if the full board is less than majority independent.</p> <p>Vote against/withhold from Inside Directors and Affiliated Outside Directors if they serve on any of the three key committees; audit, compensation, or nominating.</p> <p>Vote against/withhold from Inside Directors and Affiliated Outside Directors if the company lacks an audit committee, compensation, or nominating committee and the full board serves the function of that committee.</p>

Director Diversity/ Competence	<p>Vote against/withhold from individual directors (except new nominees) who serve as members of the nominating committee and have failed to establish gender and/or racial diversity on the board. If the company does not have formal nominating committee, vote against/withhold votes from the entire board of directors.</p> <p>Vote against the entire board if and females will not represent 33.0% or more of the directors after the election.</p> <p>Generally vote against/withhold from directors (except new nominees, who should be considered case-by-case) who attend less than 75 percent of the aggregate of their board and committee meetings for the period for which they served, unless an acceptable reason for absences is disclosed in the proxy or another SEC filing.</p> <p>If the proxy disclosure is unclear and insufficient to determine whether a director attended at least 75 percent of the aggregate of his/her board and committee meetings during his/her period of service, vote against/withhold from the director(s) in question.</p> <p>Vote against/withhold from individual directors who sit on more than 6 public company boards, or are CEOs who sit on more than 2 total public boards besides their own.</p>
Board-Related	Clean Yield Asset Management Policy
Classification/Declassification of the Board	<p>Vote for proposals to repeal classified boards and to elect all directors annually.</p> <p>Vote against proposals to classify (stagger) the board of directors.</p>
Majority Vote Threshold For Director Elections	<p>Generally vote for management proposals to adopt a majority of votes cast standard for directors in uncontested elections.</p> <p>Vote against if no carve-out for plurality in contested elections is included.</p>
Cumulative Voting	Vote against management proposals to eliminate cumulative voting.
Director and Officer Liability Protection	<p>Vote against proposals to limit or eliminate entirely director and officer liability for:</p> <ul style="list-style-type: none"> - A breach of the duty of loyalty, - Acts or omissions not in good faith or involving intentional misconduct or knowing violations of the law, - Acts involving the unlawful purchases or redemptions of stock, - The payment of unlawful dividends, or - The receipt of improper personal benefits.

Director and Officer Indemnification	<p>Vote against indemnification proposals that would expand coverage beyond just legal expenses to acts, such as negligence, that are more serious violations of fiduciary obligations than mere carelessness.</p> <p>Vote against proposals that would expand the scope of indemnification to provide for mandatory indemnification of company officials in connection with acts that previously the company was permitted to provide indemnification for at the discretion of the company's board ("permissive indemnification") but that previously the company was not required to indemnify.</p> <p>Vote for only those proposals that provide such expanded coverage in cases when a director's or officer's legal defense was unsuccessful if:</p> <ul style="list-style-type: none"> - The director was found to have acted in good faith and in a manner that the director reasonably believed was in the best interests of the company, and - Only if the director's legal expenses would be covered.
Shareholder Ability to Remove Directors	<p>Vote against proposals that provide that directors may be removed only for cause.</p> <p>Vote for proposals to restore shareholder ability to remove directors with or without cause.</p> <p>Vote against proposals that provide that only continuing directors may elect replacements to fill board vacancies.</p> <p>Vote for proposals that permit shareholders to elect directors to fill board vacancies.</p>
Board Size	<p>Vote for proposals that seek to fix the size of the board.</p> <p>Vote case-by-case on proposals that seek to change the size or range of the board.</p> <p>Vote against proposals that give management the ability to alter the size of the board without shareholder approval.</p>
Establish/Amend Nominee Qualifications	<p>Vote on a case-by-case basis on proposals that establish or amend director qualifications. Votes should be based on how reasonable the criteria are and to what degree they may preclude dissident nominees from joining the board.</p>
Term Limits	<p>Vote against management proposals to limit the tenure of outside directors through term limits. However, scrutinize boards where the average tenure of all directors exceeds 15 years for independence from management and for sufficient turnover to ensure that new perspectives are being added to the board.</p>

Age Limits	Vote against management proposal to limit the tenure of outside directors through mandatory retirement ages.
Proxy Access	Vote on a case-by-case basis on management proposals asking for open or proxy access.
Board – Related Shareholder Proposals/Initiatives	
Proxy Contests- Voting for Director Nominees in Contested Elections	Votes in a contested election of directors are evaluated on a case-by-case basis.
Annual Election (Declassification) of the Board	Vote for shareholder proposals to repeal classified (staggered) boards and to elect all directors annually.
Majority Threshold Voting Shareholder Proposals	Vote for precatory and binding resolutions requesting that the board change the company's bylaws to stipulate that directors need to be elected with an affirmative majority of votes cast, provided it does not conflict with the state law where the company is incorporated.
Cumulative Voting	Vote for shareholder proposals to restore or permit cumulative voting.
Majority of Independent Directors	<p>Vote for shareholder proposals asking that a majority or more of directors be independent unless the board composition already meets the proposed threshold by Social Advisory Services ' definition of independent outsider.</p> <p>Vote for shareholder proposals to strengthen the definition of independence for board directors.</p>
Establishment of Independent Committees	Vote for shareholder proposals asking that board audit, compensation, and/or nominating committees be composed exclusively of independent directors.
Independent Board Chair	Vote for shareholder proposals that would require the board chair to be independent of management.
Establishment of Board Committees	Vote for shareholder proposals to establish a new board committee.
Establish/Amend Nominee Qualifications	<p>Vote on a case-by-case basis on proposals that establish or amend director qualifications.</p> <p>Vote on a case-by-case basis on shareholder resolutions seeking a director nominee candidate who possesses a particular subject matter expertise.</p>
Board Policy on Shareholder Engagement	Generally vote for shareholders proposals requesting that the board establish an internal mechanism/process, which may include a committee, in order to improve communications between directors and shareholders.

Open Access (Proxy Access)	Vote on a case-by-case basis on shareholder proposals asking for open or proxy access.
Term Limits	Vote against shareholder proposals to limit the tenure of outside directors. However, scrutinize boards where the average tenure of all directors exceeds 15 years for independence from management and for sufficient turnover to ensure that new perspectives are being added to the board.
Age Limits	Vote against shareholder proposals to limit the tenure of outside directors through mandatory retirement ages.
CEO Succession Planning	Generally vote for proposals seeking disclosure on a CEO succession planning policy, considering at a minimum the following factors: <ul style="list-style-type: none"> - The reasonableness/scope of the request; and - The company's existing disclosure on its current CEO succession planning process.
Vote No Campaigns	Vote case-by-case in cases where companies are targeted in connection with public "vote no" campaigns, evaluate director nominees under the existing governance policies for voting on director nominees in uncontested elections. Take into consideration the arguments submitted by shareholders and other publicly available information.
Ratification of Auditors	Clean Yield Asset Management Policy
Auditor Ratification	<p>Vote against where non-audit fees exceed 25 percent of total fees paid.</p> <p>Vote case-by-case where the auditor has a financial interest in or association with the company, and is therefore not independent.</p> <p>Vote case-by-case where 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</p> <p>Vote case-by-case where poor accounting practices are identified that rise to a serious level of concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures.</p> <p>Vote against if the proposed auditor has audited the company's financial statements for more than 7 consecutive years.</p>
Auditor Independence	<p>Vote for shareholder proposals to allow shareholders to vote on auditor ratification.</p> <p>Vote for proposals that ask a company to adopt a policy on auditor independence.</p>

	Vote for proposals that seek to limit the non-audit services provided by the company's auditor.
Auditor Rotation	Vote for shareholder proposals to rotate company's auditor every five years or more.
Takeover Defenses	
Poison Pills	<p>Vote on a case-by-case basis on management proposals on poison pill ratification. The rights plan should have the following attributes:</p> <ul style="list-style-type: none"> - No lower than a 20% trigger, flip-in or flip-over provision; - A term of no more than three years; - No dead-hand, slow-hand, no-hand or similar feature that limits the ability of a future board to redeem the pill; - Shareholder redemption feature (qualifying offer clause); if the board refuses to redeem the pill 90 days after a qualifying offer is announced, 10 percent of the shares may call a special meeting or seek a written consent to vote on rescinding the pill; and - The rationale for adopting the pill should be thoroughly explained by the company.
Net Operating Loss ("NOL") Poison Pills/Protective Amendments	<p>Vote against management proposals to adopt a poison pill or protective amendment for the stated purpose of preserving a company's NOLs if the term of the pill or protective amendment would exceed the shorter of three years and the exhaustion of the NOL.</p> <p>Vote on a case-by-case basis on management proposals for poison pill ratification, considering the following factors, if the term of the pill would be the shorter of three years (or less) and the exhaustion of the NOL:</p> <ul style="list-style-type: none"> - The ownership threshold to transfer; - The value of the NOLs; - The company's existing governance structure including: <ul style="list-style-type: none"> o Board independence, o Existing takeover defenses, o Track record of responsiveness to shareholders, and o Any other problematic governance concerns; and - Any other factors that may be applicable. <p>Vote case-by-case on management proposals to adopt an NOL protective amendment that would remain in effect for the shorter of three years (or less) and the exhaustion of the NOL.</p>
Supermajority Shareholder Vote Requirements	Vote for proposals to reduce supermajority shareholder vote requirements for charter amendments, mergers and other significant business combinations.

	Vote against proposals to require a supermajority shareholder vote for charter amendments, mergers and other significant business combinations.
Shareholder Ability to Call Special Meeting	<p>Vote for proposals that provide shareholders with the ability to call special meetings taking into account:</p> <ul style="list-style-type: none"> - Shareholders' current right to call special meetings, - Minimum ownership threshold necessary to call special meetings (10% preferred), - The inclusion of exclusionary or prohibitive language, - Investor ownership structure, and - Shareholder support of and management's response to previous shareholder proposals. <p>Vote against proposals to restrict or prohibit shareholders' ability to call special meetings.</p>
Shareholder Ability to Act by Written Consent	<p>Vote for proposals to allow or facilitate shareholder action by written consent, taking into consideration:</p> <ul style="list-style-type: none"> - Shareholders' current right to act by written consent, - Consent threshold, - The inclusion of exclusionary or prohibitive language, - Investor ownership structure, and - Shareholder support of and management's response to previous shareholder proposals. <p>Vote against proposals to restrict or prohibit shareholders' ability to take action by written consent.</p> <p>Vote on a case-by-case basis on shareholder proposals if, in addition to the considerations above, the company has the following governance and antitakeover provisions:</p> <ul style="list-style-type: none"> - An unfettered right for shareholders to call special meetings at a 10 percent threshold, - A majority vote standard in uncontested director elections, - No non-shareholder-approved pill, and - An annually elected board.
Advance Notice Requirements for Shareholder Proposals/Nominations	Vote on a case-by-case basis on advance notice proposals, giving support to those proposals which allow shareholders to submit proposals/nominations as close to the meeting date as reasonably possible and within the broadest window possible, recognizing the need to allow sufficient notice for company, regulatory, and shareholder review.
Fair Price Provisions	Vote on a case-by-case basis on proposals to adopt fair price provisions evaluating factors such as the vote required to approve the proposed acquisition, the vote required to repeal the fair price provision, and the mechanism for determining the fair price.

	Generally vote against fair price provisions with shareholder vote requirements greater than a majority of disinterested shares.
Greenmail	<p>Vote for proposals to adopt antigreenmail charter or bylaw amendments that otherwise restrict a company's ability to make greenmail payments.</p> <p>Review on a case-by-case basis on antigreenmail proposals when they are bundled with other charter or bylaw amendments.</p>
Confidential Voting	Vote for management proposals to adopt confidential voting.
Control Share Acquisition Provisions	<p>Vote for proposals to opt out of control share acquisition statutes unless doing so would enable the completion of a takeover that would be detrimental to shareholders.</p> <p>Vote against proposals to amend the charter to include control share acquisition provisions.</p> <p>Vote for proposals to restore voting rights to the control shares.</p>
Control Share Cash-Out Provisions	Vote for proposals to opt out of control share cash-out statutes.
Disgorgement Provisions	Vote for proposals to opt out of state disgorgement provisions.
State Takeover Statutes	<p>Vote on a case-by-case basis on 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, antigreenmail provisions, and disgorgement provisions).</p> <p>Vote for opting into stakeholder protection statutes if they provide comprehensive protections for employees and community stakeholders. We would be less supportive of takeover statutes that only serve to protect incumbent management from accountability to shareholders and which negatively influence shareholder value.</p>
Freeze-Out Provisions	Vote for proposals to opt out of state freeze-out provisions.
Reincorporation Proposals	Vote on a case-by-case basis on proposals to change a company's state of incorporation giving consideration to both financial and corporate governance concerns.
Amend Bylaws without Shareholder Consent	<p>Vote against proposals giving the board exclusive authority to amend the bylaws.</p> <p>Vote for proposals giving the board the ability to amend the bylaws in addition to shareholders.</p>

Amend Bylaws without Shareholder Consent	<p>Vote against proposals giving the board exclusive authority to amend the bylaws.</p> <p>Vote for proposals giving the board the ability to amend the bylaws in addition to shareholders.</p>
Adopt the Jurisdiction of Incorporation as the Exclusive Forum for Certain Disputes	<p>Vote case-by-case exclusive venue proposals, taking into account:</p> <ul style="list-style-type: none"> - Whether the company has been materially harmed by shareholder litigation outside its jurisdiction of incorporation, based on disclosure in the company's proxy statement; and - Whether the company has the following good governance features: <ul style="list-style-type: none"> o An annually elected board, o A majority vote standard in uncontested director elections, and o The absence of a poison pill, unless the pill was approved by shareholders.
Takeover	
Shareholder Proposals to put Pill to a Vote and/or Adopt a Pill Policy	<p>Vote for shareholder proposals requesting that the company submit its poison pill to a shareholder vote or redeem it UNLESS the company has:</p> <ul style="list-style-type: none"> - A shareholder approved poison pill in place; or - The company has adopted a policy concerning the adoption of a pill in the future specifying that the board will only adopt a shareholder rights plan if either: <ul style="list-style-type: none"> o Shareholders have approved the adoption of the plan, or o The board, in its exercise of its fiduciary responsibilities, determines that it is in the best interest of shareholders under the circumstances to adopt a pill without the delay in adoption that would result from seeking stockholder approval.
Reduce Supermajority Vote Requirements	<p>Vote for shareholder proposals to lower supermajority shareholder vote requirements for charter and bylaw amendments.</p> <p>Vote for shareholder proposals to lower supermajority shareholder vote requirements for mergers and other significant business combinations.</p>
Remove Antitakeover Provisions	Vote for shareholder proposals that seek to remove antitakeover provisions.

Reimbursing Proxy Solicitation Expenses.	<p>Vote on a case-by-case basis on proposals to reimburse proxy solicitation expenses. When voting in conjunction with support of a dissident slate, vote for the reimbursement of all appropriate proxy solicitation expenses associated with the election.</p> <p>Vote for shareholder proposals calling for the reimbursement of reasonable costs incurred in connection with nominating one or more candidates in a contested election.</p>
Adjust/Remove Exclusive Venue Provisions	<p>Vote case-by-case exclusive venue proposals, taking into account:</p> <ul style="list-style-type: none"> - Whether the company has been materially harmed by shareholder litigation outside its jurisdiction of incorporation, based on disclosure in the company's proxy statement; and <p>Whether the company has the following good governance features:</p> <ul style="list-style-type: none"> ○ An annually elected board; ○ A majority vote standard in uncontested director elections; and ○ The absence of a poison pill, unless the pill was approved by shareholders.
Miscellaneous Governance Provisions	
Bundled Proposals	Review on a case-by-case basis on bundled or "conditioned" proxy proposals.
Adjourn Meeting if Votes are Insufficient	<p>Generally vote against proposals to provide management with the authority to adjourn an annual or special meeting absent compelling reasons to support the proposal.</p> <p>Vote for proposals that relate specifically to soliciting votes for a merger or transaction if supporting that merger or transaction.</p> <p>Vote against proposals if the wording is too vague or if the proposal includes "other business."</p>
Changing Corporate Name	Vote for changing the corporate name unless there is compelling evidence that the change would adversely affect shareholder value.
Amend Quorum Requirements	Vote against proposals to reduce quorum requirements for shareholder meetings below a majority of the shares outstanding unless there are compelling reasons to support the proposal.
Amend Minor Bylaws	Vote for bylaw or charter changes that are of a housekeeping nature (updates or corrections).
Other Business	Vote against other business proposals.
Capital Structure	

Common Stock Authorization	<p>Vote for proposals to increase the number of authorized common shares where the primary purpose of the increase is to issue shares in connection with a transaction on the same ballot that warrants support.</p> <p>Vote against proposals at companies with more than one class of common stock to increase the number of authorized shares of the class that has superior voting rights.</p> <p>Vote against proposals to increase the number of authorized common shares if a vote for a reverse stock split on the same ballot is warranted despite the fact that the authorized shares would not be reduced proportionally. Review on a case-by-case basis all other proposals to increase the number of shares of common stock authorized for issue, considering company-specific factors that include:</p> <ul style="list-style-type: none"> - Past Board Performance: <ul style="list-style-type: none"> o The company's use of authorized shares during the last three years. - The current Request: <ul style="list-style-type: none"> o Disclosure in the proxy statement of specific reasons for the proposed increase, o The dilutive impact of the request as determined through an allowable cap generated by Social Advisory Services' quantitative mode (typically 100 percent of existing authorized shares) that reflects the company's need for shares and total shareholder returns, and o Disclosure in the proxy statement of specific and severe risks to shareholders of not approving the request.
Issue Stock for Use with Rights Plan	<p>Vote against proposals that increase authorized common stock for the explicit purpose of implementing a non-shareholder approved shareholder rights plan (poison pill).</p>
Stock Distributions: Splits and Dividends	<p>Vote for management proposals to increase common share authorization for a stock split, provided that the increase in authorized shares would not result in an excessive number of shares available for issuance given a company's industry and performance as measured by total shareholder returns.</p> <p>Vote against proposals when there is not a proportionate reduction of authorized shares, unless:</p> <ul style="list-style-type: none"> - A stock exchange has provided notice to the company of a potential delisting; or - The effective increase in authorized shares is equal to or less than the allowable increase calculated in accordance with Social Advisory Services Increase in Authorized Common Stock policy.
Preferred Stock Authorization	<p>Vote for proposals to increase the number of authorized preferred shares where the primary purpose of the increase is to issue shares in connection with a transaction on the same ballot that warrants support.</p> <p>Vote against proposals at companies with more than one class or series of preferred stock to increase the number of authorized shares of the class or series of preferred stock that has superior voting rights.</p>

	<p>Vote on a case-by-case basis all other proposals to increase the number of shares of preferred stock authorized for issuance, considering company-specific factors that include:</p> <ul style="list-style-type: none"> - Past Board Performance: <ul style="list-style-type: none"> o The company's use of authorized shares during the last three years. - The current Request: <ul style="list-style-type: none"> o Disclosure in the proxy statement of specific reasons for the proposed increase, o Disclosure in the proxy statement of specific and severe risks to shareholders of not approving the request, o In instances where the company has existing authorized preferred stock, the dilutive impact of the request as determined by an allowable cap generated by Social Advisory Services' quantitative model (typically 100 percent of existing authorized shares) that reflects the company's need for shares and total shareholder returns, and o Whether the shares requested are blank check preferred shares that can be used for antitakeover purposes.
Blank Check Preferred Authorization	<p>Vote against proposals that would authorize the creation of new classes of preferred stock with unspecific voting conversion, dividend distribution, and other rights ("blank check" preferred stock).</p> <p>Vote against proposals to increase the number of blank check preferred stock authorized for issuance when no shares have been issued or reserved for a specific purpose.</p> <p>Vote for proposals to create "declawed" blank check preferred stock (stock that cannot be used as a takeover defense).</p> <p>Vote for requests to require shareholder approval for blank check authorizations.</p>
Adjustments to Par Value of Common Stock	<p>Vote for management proposals to reduce the par value of common stock unless the action is being taken to facilitate an anti-takeover device or some other negative corporate governance action.</p> <p>Vote for management proposals to eliminate par value.</p>
Unequal Voting Rights/Dual Class Structure	<p>Generally vote against proposals to create a new class of common stock unless:</p> <ul style="list-style-type: none"> - The company discloses a compelling rationale for the dual-class capital structure, including: <ul style="list-style-type: none"> o The company's auditor has concluded that there is substantial doubt about the company's ability to continue as a going concern, or o The new class of shares will be transitory;

	<ul style="list-style-type: none"> - The new class is intended for financing purposes with minimal or no dilution to current shareholders in both the short term and long term; - The new class is not designed to preserve or increase the voting power of an insider or significant shareholder.
Preemptive Rights	Review on a case-by-case basis on proposals to create or abolish preemptive rights.
Debt Restructurings	<p>Review on a case-by-case basis on proposals regarding debt restructurings.</p> <p>Vote for the debt restructuring if it is expected that the company will file for bankruptcy if the transaction is not approved.</p>
Share Repurchase Programs	Vote for management proposals to institute open-market share repurchase plans in which all shareholders may participate on equal terms.
Conversion of Securities	<p>Vote on a case-by-case basis on proposals regarding conversion of securities, taking into account the dilution to existing shareholders, the conversion price relative to market value, financial issues, control issues, termination penalties, and conflicts of interest.</p> <p>Vote for the conversion if it is expected that the company will be subject to onerous penalties or will be forced to file for bankruptcy if the transaction is not approved.</p>
Recapitalization	Vote on a case-by-case basis on recapitalizations (reclassifications of securities), taking into account whether capital structure is simplified, liquidity is enhanced, fairness of conversion terms, impact on voting power and dividends, reasons for the reclassification, conflicts of interest, and other alternatives considered.
Formation of Holding Company	<p>Vote on a case-by-case basis on proposals regarding the formation of a holding company, taking into consideration a) the reasons for the change, b) any financial or tax benefits, c) regulatory benefits, d) increases in capital structure, and e) changes to the articles of incorporation or bylaws of the company.</p> <p>Vote against the formation of a holding company, absent compelling financial reasons to support the transaction, if the transaction would include either; a) increases in common or preferred stock in excess of the allowable maximum, or b) adverse changes in shareholder rights.</p>
Tracking Stock	Vote case-by-case on the creation of tracking stock, weighing the strategic value of the transaction against such factors as: adverse governance changes, excessive increases in authorized capital stock, unfair method of distribution, diminution of voting rights, adverse conversion features, negative impact on stock option plans, alternatives such as spin-offs.

Executive Pay	
Votes on Executive Compensation (Say-on-Pay) Management Proposals	<p>Vote against management say on pay proposals where there is a misalignment between CEO pay and company performance; the company maintains problematic pay practices; the board exhibits poor communication and responsiveness to shareholders; or if the board has failed to demonstrate good stewardship of investors' interest regarding executive compensation practices, with strong additional scrutiny on pay magnitude and performance alignment.</p> <p>In its analysis of misalignment between CEO pay and company performance, Clean Yield Asset Management will also consider the following on a case-by-case basis:</p> <ul style="list-style-type: none"> - Internal pay disparity; - The ratio of performance-based compensation to overall compensation, including whether any relevant social or environmental factors are a component of performance-contingent pay elements; - The presence of significant environmental, social or governance (ESG) controversies that have the potential to pose material risks to the company and its shareholders; - Any downward discretion applied to executive compensation on the basis of a failure to achieve performance goals, including ESG performance objectives; - The completeness of disclosure and rigor of performance goals; - The company's peer group benchmarking practices; - Actual results of financial/non-financial and operational metrics, such as growth in revenue, profit, cash flow, workplace safety, environmental performance, etc., both absolute and relative to peers; - Special circumstances related to, for example, a new CEO in the prior FY or anomalous equity grant practices (e.g., bi-annual awards); - Realizable pay compared to grant pay; and - Any other factors deemed relevant. <p>Vote against if the CEO's compensation exceeds \$5,000,000.</p>
Frequency of Advisory Vote on Executive Compensation (Say -on-Pay) Management Proposals	<p>Vote for an annual advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.</p>
Voting on Golden Parachutes in an Acquisition, Merger, Consolidation, or Proposed Sale	<p>Vote against advisory votes on golden parachutes.</p>
Equity-Based Incentive Plans	<p>Vote case-by-case on equity-based compensation plans taking the following factors into consideration:</p> <ul style="list-style-type: none"> - Appropriate pay-for-performance alignment with an emphasis on long-term shareholder value; - Unresponsiveness to shareholder concerns with regard to executive compensation issues;

	<ul style="list-style-type: none"> - Clear, comprehensive compensation disclosures; - Inappropriate pay to non-executive directors; - Arrangements that risk "pay for failure." <p>Vote against the plan if any of the following factors apply:</p> <ul style="list-style-type: none"> - The total cost of the company's equity plans is unreasonable, - The plan expressly permits the repricing of stock options/stock appreciate rights (SARs) without prior shareholder approval, - A pay-for-performance misalignment is found, - The company's three year burn rate exceeds the burn rate cap of its industry group, - The plan has a liberal change-in-control definition – i.e. the plan provides for the acceleration of vesting equity awards even though an actual change in control may not occur (e.g., upon shareholder approval of a transaction or The announcement of a tender offer, - The plan is a vehicle for problematic pay practices, or - CEO's compensation exceeds \$5,000,000.
Other Pay Plans	
Incentive Bonus Plans and Tax Deductibility Proposals (OBRA-Related Compensation Proposals)	<p>Generally vote for proposals to approve or amend executive incentive bonus plans if the proposal:</p> <ul style="list-style-type: none"> - Is only to include administrative features, - Places a cap on the annual grants any one participant may receive to comply with the provisions of Section 162(m), - Adds performance goals to existing compensation plans to comply with the provisions of Section 162(m) unless they are clearly inappropriate, or - Covers cash or cash and stock bonus plans that are submitted to shareholders for the purpose of exempting compensation from taxes under the provisions of Section 162(m) if no increase in shares is requested. <p>Vote against such proposals if:</p> <ul style="list-style-type: none"> - The compensation committee does not fully consist of independent outsiders, - The plan contains excessive problematic provisions. <p>Vote case-by-case on such proposals if:</p> <ul style="list-style-type: none"> - In addition to seeking 162(m) tax treatment, the amendment may cause the transfer of additional shareholder value to employees (e.g., by requesting additional shares, extending the option term, or expanding the pool of plan participants). Evaluate the Shareholder Value Transfer in comparison with the company's allowable cap, - A company is presenting the plan to shareholders for Section 162(m) favorable tax treatment for the first

	time after the company's initial public offering (IPO). Perform a full equity plan analysis, including consideration of total shareholder value transfer, burn rate (if applicable), repricing, and liberal change in control. Other factors such as pay-for-performance or problematic pay practices as related to Management Say-on-Pay may be considered if appropriate.
Employee Stock Purchase Plans (ESPPs) – Qualified Plans	<p>Vote case-by-case on qualified employee stock purchase plans. Vote for employee stock purchase plans where all of the following apply:</p> <ul style="list-style-type: none"> - Purchase price is at least 85 percent of fair market value; - Offering period is 27 months or less; and - The number of shares allocated to the plan is ten percent or less of the outstanding shares. <p>Vote against qualified employee stock purchase plans where any of the following apply: Purchase price is less than 85 percent of fair market value; Offering period is greater than 27 months; or The number of shares allocated to the plan is more than ten percent of the outstanding shares.</p>
ESPPs – Non-Qualified Plans	<p>Vote case-by-case on nonqualified employee stock purchase plans. Vote for nonqualified employee stock purchase plans with all the following features:</p> <ul style="list-style-type: none"> - Broad-based participation (i.e., all employees of the company with the exclusion of individuals with 5 percent or more of beneficial ownership of the company; - Limits on employee contribution, which may be a fixed dollar amount or expressed as a percent of base salary; - Company matching contribution up to 25 percent of employee's contribution, which is effectively a discount of 20 percent from market value; - No discount on the stock price on the date of purchase since there is a company matching contribution. <p>Vote against nonqualified employee stock purchase plans when any of the plan features do not meet the above criteria. If the company matching contribution exceeds 25 percent of employee's contribution, evaluate the cost of the plan against its allowable cap.</p>
Employee Stock Ownership Plans (ESOPs)	Vote for proposals to implement an ESOP or increase authorized shares for existing ESOPs, unless the number of shares allocated to the ESOP is excessive (more than five percent of outstanding shares).
Option Exchange Programs/Repricing Options	<p>Vote on a case-by-case basis on management proposals seeking approval to exchange/reprice options.</p> <p>Vote for shareholder proposals to put option repricings to a shareholder vote.</p>

401(k) Employee Benefit Plans	Vote for proposals to implement a 401(k) savings plan for employees.
Severance Agreements for Executives/Golden Parachutes	Vote against management proposals to approve or amend severance agreements/change-in-control agreements
Director Compensation	
Equity Plans For Non-Employee Directors	<p>Vote case-by-case on compensation plans for non-employee directors, based on the cost of the plans against the company's allowable cap. Vote for the plan if all of the following qualitative factors in the board's compensation policy are met and disclosed in the proxy statement:</p> <ul style="list-style-type: none"> - Director stock ownership guidelines with a minimum of three times the annual cash retainer; - Vesting schedule or mandatory holding/deferral period – a minimum of three years for stock options, restricted stock, or deferred stock payable at the end of a three-year deferral period, - Mix between cash and equity – a balanced mix of cash and equity, e.g. 40% cash/60% equity or 50% cash/50% equity, or if the mix is heavier on the equity component, the vesting schedule or deferral period should be more stringent, with the lesser of five years or the term of directorship, - No retirement/benefits and perquisites provided to non-employee directors, and - Detailed disclosure provided on cash and equity compensation delivered to each non-employee director for the most recent fiscal year in a table. The column headers for the table may include: name of each non-employee director, annual retainer, board meeting fees, committee retainer, committee-meeting fees, and equity grants. <p>Vote against if the CEO's compensation exceeds \$5,000,000.</p>
Outside Director Stock Awards / Options in Lieu of Cash	Vote for proposals that seek to pay outside directors a portion of their compensation in stock rather than cash.
Director Retirement Plans	<p>Vote against retirement plans for non-employee directors.</p> <p>Vote for shareholder proposals to eliminate retirement plans for non-employee directors.</p>
Shareholder Proposals on Compensation	
Increase Disclosure of Executive Compensation	Generally vote for shareholder proposals seeking increased disclosure on executive compensation issues including the preparation of a formal report on executive compensation practices and policies.
Limit Executive Compensation	<p>Generally vote for proposals to prepare reports seeking to compare the wages of a company's lowest paid workers to the highest paid workers.</p> <p>Generally vote case-by-case on proposals that seek to establish a fixed ratio between the company's lowest paid workers and the highest paid workers.</p>

Prohibit/Require Shareholder Approval for Option Repricing	<p>Vote for shareholder proposals seeking to limit repricing.</p> <p>Vote for shareholder proposals asking the company to have option repricings submitted for shareholder ratification.</p>
Severance Agreements/ Golden Parachutes	<p>Vote for shareholder proposals that require the board to seek shareholder approval for future severance agreements with senior executives that provide benefits in an amount exceeding 2.99 times the sum of the executive's base salary plus bonus. The proposed policy would apply to all future severance agreements, renewals of existing severance agreements, and such existing agreements only if they can be legally modified by the company.</p> <p>Vote for shareholder proposals requesting future golden parachute severance agreements be placed to shareholder vote.</p> <p>Other proposals types will be evaluated on a case-by-case basis.</p>
Cash Balance Plans	<p>Vote for on proposals calling for non-discrimination in retirement benefits.</p> <p>Vote for shareholder proposals asking a company to give employees the option of electing to participate in either cash balance plan or in a defined benefit plan.</p>
Performance-Based Equity Awards	<p>Vote case-by-case on shareholder proposal requesting that a significant amount of future long-term incentive compensation awarded to senior executives shall be performance-based and requesting that the board adopt and disclose challenging performance metrics to shareholders:</p> <ul style="list-style-type: none"> - Vote for shareholder proposals advocating the use of performance-based equity awards, such as performance contingent options or restricted stock, indexed options or premium-priced options, unless the proposal is overly restrictive or if the company has demonstrated that it is using a "substantial portion of performance-based awards for its top executives. Standard stock options and performance accelerated awards do not meet the criteria to be considered as performance-based awards. Further, premium –priced options should have a premium of at least 25 percent and higher to be considered performance-based awards. - Assess the rigor of the company's performance-based equity program. If the bar set for the performance based program is too low based on the company's historical or peer group comparison, generally vote for the proposal. If target performance results in an above target payout, vote for the shareholder proposal due to program's poor design. If the company does not disclose the performance metric of the performance-based equity program, vote for the shareholder proposal regardless of the outcome of the

	<p>first step to the test.</p> <p>In general, vote for the shareholder proposal if the company does not meet both of the above two steps.</p>
Pay for Superior Performance	<p>Generally vote for shareholder proposals based on a case-by-case analysis that requests the board establish a pay-for-superior performance standard in the company's executive compensation plan for senior executives. The proposal has the following principles:</p> <ul style="list-style-type: none"> - Sets compensation targets for the Plan's annual and long-term incentive pay components at or below the peer group median, - Delivers a majority of the plan's target long-term compensation through performance-vested, not simply time-vested, equity awards, - Provides the strategic rationale and relative weightings of the financial and non-financial performance metrics or criteria used in the annual and performance-vested long-term incentive components of the plan, - Establishes performance targets for each plan financial metric relative to the performance of the company's peer companies, - Limits payment under the annual and performance-vested long-term incentive components of the plan when the company's performance on its selected financial performance metrics exceeds peer group median performance. <p>Consider the following factors in evaluating this proposal:</p> <ul style="list-style-type: none"> - What aspects of the company's annual and long-term equity incentive programs are performance driven? - If the annual and long-term equity incentive programs are performance driven, are the performance criteria and hurdle rates disclosed to shareholders or are they benchmarked against a disclosed peer group? - Can shareholders assess the correlation between pay and performance based on the current disclosure? - What type of industry and stage of business cycle does the company belong to?
Link Compensation to Non-Financial Factors	<p>Vote for shareholder proposals calling for linkage of executive pay to non-financial factors, such as corporate downsizing, customer/employee satisfaction, community involvement, human rights, social and environmental goals and performance, and predatory lending.</p> <p>Vote for shareholder proposals seeking reports on linking executive pay to non-financial factors.</p>
Advisory Vote on Executive Compensation (Say-on-Pay) Shareholder Proposals	<p>Generally vote for shareholder proposals that call for non-binding shareholder ratification of the compensation of the Named Executive Officers and the accompanying narrative disclosure of material factors provided to understand the Summary Compensation Table.</p>

Termination of Employment Prior to Severance Payment and Eliminating Accelerated Vesting of Unvested Equity	<p>Vote on a case-by-case basis on shareholder proposals seeking a policy requiring termination of employment prior to severance payment, and eliminating accelerated vesting of unvested equity.</p> <p>Generally vote for proposals seeking a policy that prohibits acceleration of the vesting of equity awards to senior executives in the event of a change in control (except for pro rata vesting considering the time elapsed at attainment of any related performance goals between the award date and the change in control).</p>
Tax Gross-up Proposals	Generally vote for proposals calling for companies to adopt a policy of not providing tax gross-up payments to executives, except in situations where gross-ups are provided pursuant to a plan, policy, or arrangement applicable to management employees of the company, such as a relocation or expatriate tax equalization policy.
Compensation Consultants - Disclosure of Board or Company's Utilization	Generally vote for shareholder proposals seeking disclosure regarding the Company, Board, or Compensation Committee's use of compensation consultants, such as company name, business relationship(s) and fees paid.
Golden Coffins/Executive Death Benefits	Generally vote for proposals calling companies to adopt a policy of obtaining shareholder approval for any future agreements and corporate policies that could oblige the company to make payments or awards following the death of a senior executive in the form of unearned salary or bonuses, accelerated vesting or the continuation of force of unvested equity grants, perquisites and other payments or awards made in lieu of compensation.
Recoup Bonuses	Vote on a case-by-case basis on proposals to recoup unearned incentive bonuses or other incentive payments made to senior executives if it is later determined that the figures upon which incentive compensation is earned later turn out to have been in error.
Adopt Anti-Hedging/Pledging/Speculative Investments Policy	Generally vote for proposals seeking a policy that prohibits named executive officers from engaging in derivative or speculative transactions involving company stock, including hedging, holding stock in margin account, pledging stock as collateral for a loan. However, the company's existing policies regarding responsible use of company stock will be considered.
Bonus Banking	Vote case-by-case on proposals seeking deferral of a portion of annual bonus pay, with ultimate payout linked to sustained results for the performance metrics on which the bonus was earned (whether for the named executive officers or a wider group of employees).
Hold Equity Past Retirement or for a Significant Period of Time	Vote case-by-case on proposals seeking deferral of a portion of annual bonus pay, with ultimate payout linked to sustained results for the performance metrics on which the bonus was earned (whether for the named executive officers or a wider group of employees).

Non-deductible Compensation	Generally vote for proposals seeking disclosure of the extent to which the company paid non-deductible compensation to senior executives due to Internal Revenue Code Section 162(m), while considering the company existing disclosure practices.
Pre-Arranged Trading Plans (10b5-1 Plans)	Generally vote for proposals seeking disclosure of the extent to which the company paid non-deductible compensation to senior executives due to Internal Revenue Code Section 162(m), while considering the company existing disclosure practices.
Mergers and Corporate Restructurings	
Mergers and Acquisitions	Votes on mergers and acquisitions are considered on a case-by-case basis.
Corporate Reorganization/Restructuring Plans (Bankruptcy)	Vote on a case-by-case basis on proposals to common shareholders on bankruptcy plans of reorganization.
Spin-offs	Votes on spin-offs should be considered on a case-by-case basis depending on the tax and regulatory advantages planned use of sale proceeds, valuation of spinoff, fairness opinion, benefits to the parent company, conflicts of interest, managerial incentives, corporate governance changes, changes in the capital structure.
Asset Purchases	Votes on asset purchase proposals should be made on a case-by-case basis on after considering the purchase price, fairness opinion, financial and strategic benefits, how the deal was negotiated, conflicts of interest, other alternatives for the business, non-completion risk.
Asset Sales	Votes on asset sales should be made on a case-by-case basis after considering the impact on the balance sheet/working capital, value received for the asset, potential elimination of diseconomies, anticipated financial and operating benefits, anticipated use of funds, fairness opinion, how the deal was negotiated, and conflicts of interest.
Liquidations	Votes on liquidations should be made on a case-by-case basis after reviewing management's efforts to pursue other alternatives, appraisal value of assets, and the compensation plan for executives managing the liquidation. Vote for the liquidation if the company will file for bankruptcy if the proposal is not approved.
Joint Ventures	Vote on a case-by-case basis on proposals to form joint ventures, taking into account percentage of assets/business contributed, percentage ownership, financial and strategic benefits, governance structure, conflicts of interest and other alternatives.
Appraisal Rights	Vote for proposals to restore, or provide shareholders with, rights of appraisal.
Going Private/Dark Transactions (LBOs and Minority Squeeze-outs)	Vote on a case-by-case basis on going private transactions, taking into account the following: offer price/premium, fairness opinion, how the deal was negotiated, conflicts of interest, other alternatives/offers considered, and non

	completion risk.
Private Placements/Warrants/Convertible Debentures	<p>Vote on a case-by-case basis on proposals regarding private placements.</p> <p>Vote for the private placement if it is expected that the company will file for bankruptcy if the transaction is not approved.</p>
Formation of Holding Company	<p>Vote on a case-by-case basis on proposals regarding the formation of a holding company, taking into consideration the reasons for the change, any financial or tax benefits, regulatory benefits, increases in capital structure and changes to the articles of incorporation or bylaws of the company.</p> <p>Vote against the formation of a holding company if the transaction would include increases in common or preferred stock in excess of the allowable maximum or adverse changes in shareholder rights.</p>
Value Maximization Shareholder Proposals	Vote on a case-by-case basis on shareholder proposals seeking to maximize shareholder value by hiring a financial advisor to explore strategic alternatives, selling the company or liquidating the company and distributing the proceeds to shareholders.
Mutual Fund Proxies	
Election of Trustees	Votes on trustee nominees are made on a case-by-case basis using the same guidelines for uncontested directors for public company shareholder meetings.
Investment Advisory Agreement	Votes on investment advisory agreements should be evaluated on a case-by-case basis.
Fundamental Investment	Votes on amendments to a fund's fundamental investment restrictions should be evaluated on a case-by-case basis.
Changing a Fundamental Restriction to a Nonfundamental Restriction	Vote on a case-by-case basis on proposals to change a fundamental restriction to a non-fundamental restriction.
Change Fundamental Investment Objective to Nonfundamental	Vote against proposals to change a fund's fundamental investment objective to non-fundamental.
Proxy Contests	Vote on a case-by-case basis on proxy contests.
Approving New Classes or Series of Shares	Vote for the establishment of new classes or series of shares.
Distribution Agreements	Votes on distribution agreements should be evaluated on a case-by-case basis.

Convert closed-end fund to open-end fund	Vote on a case-by-case basis on shareholder proposals to convert a closed-end fund to an open-end fund.
Name Change Proposals	Vote on a case-by-case basis on name change proposals, considering the following factors: <ul style="list-style-type: none"> - Political/economic changes in the target market; - Consolidation in the target market; and - Current asset composition.
Change in Fund's Subclassification	Vote on a case-by-case basis on changes in a fund's sub-classification, considering the following factors: <ul style="list-style-type: none"> - Potential competitiveness; - Current and potential returns; - Risk of concentration; - Consolidation in target industry.
Disposition of Assets/Termination/Liquidation	Vote on a case-by-case basis on proposals to dispose of assets, to terminate or liquidate, considering the following factors: <ul style="list-style-type: none"> - Strategies employed to salvage the company; - The fund's past performance; - The terms of the liquidation.
Changes to the Charter Document	Vote on a case-by-case basis on changes to the charter document, considering the following factors: <ul style="list-style-type: none"> - The degree of change implied by the proposal; - The efficiencies that could result; - The state of incorporation; - Regulatory standards and implications. - <p>Vote against any of the following changes:</p> <ul style="list-style-type: none"> - Removal of shareholder approval requirement to reorganize or terminate the trust or any of its series; - Removal of shareholder approval requirement for amendments to the new declaration of trust; - Removal of shareholder approval requirement to amend the fund's management contract, allowing the contract to be modified by the investment manager and the trust management, as permitted by the 194 Act; - Allow the trustees to impose other fees in addition to sales charges on investment in a fund, such as deferred sales charges and redemption fees that may be imposed upon redemption of a fund's shares; - Removal of shareholder approval requirement to engage in and terminate subadvisory arrangements;

	<ul style="list-style-type: none"> - Removal of shareholder approval requirement to change the domicile of the fund.
Changing the Domicile of a Fund	<p>Vote case-by-case on re-incorporations, considering the following factors:</p> <ul style="list-style-type: none"> - Regulations of both states; - Required fundamental policies of both states; - The increased flexibility available.
Authorizing the Board to Hire and Terminate Subadvisors Without Shareholder Approval	Vote against proposals authorizing the board to hire/terminate subadvisors without shareholder approval if the investment adviser currently employs only one subadvisor.
Master-Feeder Structure	Vote for the establishment of a master-feeder structure.
Mergers	<p>Vote case-by-case on merger proposals, considering the following factors:</p> <ul style="list-style-type: none"> - Resulting fee structure; - Performance of both funds; - Continuity of management personnel; - Changes in corporate governance and their impact on shareholder rights
Establish Director Ownership Requirement	Generally vote against shareholder proposals that mandate a specific minimum amount of stock that directors must own in order to qualify as a director or to remain on the board.
Reimburse Shareholder for Expenses Incurred	Vote case-by-case on shareholder proposals to reimburse proxy solicitation expenses. When supporting the dissidents, vote FOR the reimbursement of the proxy solicitation expenses.
Terminate the Investment Advisor	<p>Vote case-by-case on proposals to terminate the investment advisor, considering the following factors:</p> <ul style="list-style-type: none"> - Performance of the fund's Net Asset Value (NAV); - The fund's history of shareholder relations; - The performance of other funds under the advisor's management.
Business Development Companies - Authorization to Sell Shares of Common Stock at a Price below Net Asset Value	<p>Vote for proposals authorizing the board to issue shares below Net Asset Value (NAV) if:</p> <ul style="list-style-type: none"> - The proposal to allow share issuances below NAV has an expiration date that is less than one year from the date shareholders approve the underlying proposal, as required under the Investment Company Act of 1940; - A majority of the independent directors who have no financial interest in the sale have made a determination as to whether such sale would be in the best interests of the company and its shareholde

	<p>prior to selling shares below NAV; and</p> <ul style="list-style-type: none"> - The company has demonstrated responsible past use of share issuances by either: <ul style="list-style-type: none"> o Outperforming peers in its 8-digit GICS group as measured by one- and three-year median TSRs; or o Providing disclosure that its past share issuances were priced at levels that resulted in only small or moderate discounts to NAV and economic dilution to existing non-participating shareholders.
1940 Act Policies	<p>Vote case-by-case on policies under the Investment Advisor Act of 1940, considering the following factors: a) potential competitiveness; b) regulatory developments; c) current and potential returns; and d) current and potential risk.</p> <p>Generally vote for these amendments as long as the proposed changes do not fundamentally alter the investment focus of the fund and do comply with the current SEC interpretation.</p>
Social and Environmental Proposals – Diversity and Equality	
Add Women and Minorities to Board	<p>Vote for shareholder proposals that ask the company to take steps to nominate more women and racial minorities to the board.</p> <p>Vote for shareholder proposals asking for reports on board diversity.</p> <p>Vote for shareholder proposals asking companies to adopt nomination charters or amend existing charters to include reasonable language addressing diversity.</p>
Report on the Distribution of Stock Options by Gender and Race	<p>Vote for shareholder proposals asking companies to report on the distribution of stock options by race and gender of the recipient.</p>
Prepare Report/Promote EEOC-Related Activities	<p>Vote for shareholder proposals that ask the company to report on its diversity and/or affirmative action program.</p> <p>Vote for shareholder proposals calling for legal and regulatory compliance and public reporting related to non-discrimination, affirmative action, workplace health and safety, and labor policies and practices that effect long-term corporate performance.</p> <p>Vote for shareholder proposals requesting nondiscrimination in salary, wages and all benefits.</p> <p>Vote for shareholder proposals calling for action on equal employment opportunity and antidiscrimination.</p>
Report on Progress Toward Glass Ceiling Commission Recommendations	<p>Vote for shareholder proposals that ask the company to report on its progress against the Glass Ceiling Commission's recommendations.</p>

	Vote for shareholder proposals seeking to eliminate the "glass ceiling" for women and minority employees.
Prohibit Discrimination on the Basis of Sexual Orientation or Gender Identity	<p>Vote for shareholder proposals to include language in EEO statements specifically barring discrimination on the basis of sexual orientation or gender identity.</p> <p>Vote for shareholder proposals seeking reports on a company's initiatives to create a workplace free of discrimination on the basis of sexual orientation or gender identity.</p> <p>Vote against shareholder proposals that seek to eliminate protection already afforded to gay and lesbian employees.</p>
Report on/Eliminate Use of Racial Stereotypes in Advertising	Vote for shareholder proposals seeking more careful consideration of using racial stereotypes in advertising campaigns, including preparation of a report on this issue.
Social and Environmental Proposals – Labor and Human Rights	
Codes of Conduct and Vendor Standards	<p>Vote for shareholder proposals to implement human rights standards and workplace codes of conduct.</p> <p>Vote for shareholder proposals calling for the implementation and reporting on ILO codes of conduct, SA 8000 Standards, or the Global Sullivan Principles.</p> <p>Vote for shareholder proposals that call for the adoption of principles or codes of conduct relating to company investments in countries with patterns of human rights abuses (e.g. Northern Ireland, Burma, former Soviet Union and China).</p> <p>Vote for shareholder proposals that call for independent monitoring programs in conjunction with local and respected religious and human rights groups to monitor supplier and licensee compliance with codes.</p> <p>Vote for shareholder proposals that seek publication of a "Code of Conduct" to the company's foreign suppliers and licensees, requiring they satisfy all applicable standards and laws protecting employees' wages, benefits, working conditions, freedom of association, and other rights.</p> <p>Vote for shareholder proposals seeking reports on, or the adoption of, vendor standards including: reporting on incentives to encourage suppliers to raise standards rather than terminate contracts and providing public disclosure of contract supplier reviews on a regular basis.</p> <p>Vote for shareholder proposals to adopt labor standards for foreign and domestic suppliers to ensure that the company will not do business with foreign suppliers that manufacture products for sale in the U.S. using forced labor, child labor, or that fail to comply with applicable laws protecting employee's wages and working conditions.</p>

Adopt/Report on MacBride Principles	Vote for shareholder proposals to report on or implement the MacBride Principles.
Community Impact Assessment / Indigenous Peoples' Rights	Vote for shareholder proposals to prepare reports on a company's environmental and health impact on communities.
Report on Risks of Outsourcing	Vote for shareholders proposals asking for companies to report on the risks associated with outsourcing or off-shoring.
Report on the Impact of Health Pandemics on Company Operations	Vote for shareholder proposals asking for companies to report on the impact of pandemics, such as HIV/AIDS, Malaria, and Tuberculosis, on their business strategies.
Operations in High Risk Markets	All proposals related to operations in high risk countries will be referred to Clean Yield Asset Management staff for case-by-case evaluation.
Reports on Operations in Burma/Myanmar	<p>Vote for shareholder proposals to adopt labor standards in connection with involvement in Burma.</p> <p>Vote for shareholder proposals seeking reports on Burmese operations and reports on costs of continued involvement in the country.</p> <p>Vote shareholder proposals to pull out of Burma on a case-by-case basis.</p>
Reports on Operations in China	<p>Vote for shareholder proposals requesting more disclosure on a company's involvement in China.</p> <p>Vote on a case-by-case basis shareholder proposals that ask a company to terminate a project or investment in China.</p>
Product Sales to Repressive Regimes	<p>Vote case-by-case on shareholder proposals requesting that companies cease product sales to repressive regimes that can be used to violate human rights.</p> <p>Vote for proposals to report on company efforts to reduce the likelihood of product abuses in this manner.</p>
Internet Privacy and Censorship	Vote for resolutions requesting the disclosure and implementation of Internet privacy and censorship policies and procedures.
Disclosure on Plant Closings	Vote for shareholder proposals seeking greater disclosure on plant closing criteria if the company has not provide such information.
Social and Environmental Proposals - Environment	

Environmental/Sustainability Report	<p>Vote for shareholder proposals seeking greater disclosure on the company's environmental and social practices, and/or associated risks and liabilities.</p> <p>Vote for shareholder proposals asking companies to report in accordance with the Global Reporting Initiative (GRI).</p> <p>Vote for shareholder proposals to prepare a sustainability report.</p> <p>Vote for shareholder proposals to study or implement the CERES principles.</p> <p>Vote for shareholder proposals to study or implement the Equator Principles.</p>
Climate Change/Greenhouse Gas Emissions	<p>Vote for shareholder proposals seeking disclosure of liabilities or preparation of a report pertaining to global warming and climate change risk.</p> <p>Vote for shareholder proposals calling for the reduction of GHG or adoption of GHG goals in products and operations.</p> <p>Vote for shareholder proposals seeking reports on responses to regulatory and public pressures surrounding climate change, and for disclosure of research that aided in setting company policies around climate change.</p> <p>Vote for shareholder proposals requesting a report on greenhouse gas emissions from company operations and/or products.</p>
Invest in Clean/Renewable Energy	<p>Vote for shareholder proposals seeking the preparation of a report on a company's activities related to the development of renewable energy sources.</p> <p>Vote for shareholder proposals seeking increased investment in renewable energy sources unless the terms of the resolution are overly restrictive.</p>
Energy Efficiency	<p>Vote for shareholder proposals requesting a report on company energy efficiency policies and/or goals.</p>
Operations in Protected/Sensitive Areas	<p>Vote for requests for reports on potential environmental damage as a result of company operations in protected regions.</p> <p>Vote for shareholder proposals asking companies to prepare a feasibility report or to adopt a policy not to mine, drill, or log in environmentally sensitive areas.</p> <p>Vote for shareholder proposals seeking to prohibit or reduce the sale of products manufactured from materials extracted from environmentally sensitive areas such as old growth forests.</p>

Hydraulic Fracturing	Vote for requests seeking greater transparency on the practice of hydraulic fracturing and its associated risks.
Phase Out Chlorine-Based Chemicals	All proposals related to phasing out chlorine-based chemicals will be referred to Clean Yield Asset Management staff for case-by-case evaluation.
Land Procurement and Development	Vote for shareholder proposals requesting that companies report on or adopt policies for land procurement and utilize the policies in their decision-making.
Report on the Sustainability of Concentrated Area Feeding Operations (CAFO)	Vote for requests that companies report on the sustainability and the environmental impacts of both company-owned and contract livestock operations.
Adopt a Comprehensive Recycling Policy	Vote for shareholder proposals requesting the preparation of a report on the company's recycling efforts. Vote for shareholder proposals that ask companies to increase their recycling efforts or to adopt a formal recycling policy.
Nuclear Energy	Vote for shareholder proposals seeking the preparation of a report on a company's nuclear energy procedures. Vote case-by-case on proposals that ask the company to cease the production of nuclear power.
Phase Out Nuclear Facilities	Vote for all proposals seeking to phase out nuclear facilities.
Water Use	Vote for shareholder proposals seeking the preparation of a report on a company's risks linked to water use. Vote for resolutions requesting companies to promote the "human right to water" as articulated by the United Nations. Vote for shareholder proposals requesting that companies report on or adopt policies for water use that incorporate social and environmental factors.
Kyoto Protocol Compliance	Vote for shareholder proposals asking companies to review and report on how companies will meet GHG reduction targets of the Kyoto-compliant countries in which they operate.
Social and Environmental Proposals – Health and Safety	
Toxic Materials	Vote for shareholder proposals asking companies to report on policies and activities to ensure product safety.

	<p>Vote for shareholder proposals asking companies to disclose annual expenditures relating to the promotion and/ environmental cleanup of toxins.</p> <p>Vote for shareholder proposals asking companies to report on the feasibility of removing, or substituting with saf alternatives, all "harmful" ingredients used in company products.</p>
Product Safety	<p>Generally vote for proposals requesting the company to report on or adopt consumer product safety policies and initiatives.</p> <p>Generally vote for proposals requesting the study, adoption and/or implementation of consumer product safety programs in the company's supply chain.</p> <p>Any version of this proposal that relates to phasing out chlorine-based chemicals will be referred to Clean Yield Asset Management staff for case-by-case evaluation.</p>
Workplace/Facility Safety	<p>Vote for shareholder proposals requesting workplace safety reports, including reports on accident risk reduction efforts.</p> <p>Vote shareholder proposals requesting companies report on or implement procedures associated with their operations and/or facilities on a case-by-case basis.</p>
Report on Handgun Safety Initiatives	<p>Vote for shareholder proposals asking the company to report on its efforts to promote handgun safety.</p> <p>Vote for shareholder proposals asking the company to stop the sale of handguns and accessories.</p>
Ride Safety	<p>Vote for shareholder proposals to report on ride safety.</p>
Phase-out or Label Products Containing Genetically Engineered Ingredients	<p>Vote for shareholder proposals to label products that contain genetically engineered products or products from cloned animals.</p> <p>Vote for shareholder proposals that ask the company to phase out the use of genetically engineered ingredients i their products.</p> <p>Vote for shareholder proposals that ask the company to report on the use of genetically engineered organisms in their products.</p> <p>Vote for shareholder proposals asking for reports on the financial, legal, and operational risks posed by the use of genetically engineered organisms.</p>

Tobacco-related Proposals	<p>Vote for shareholder proposals seeking to limit the sale of tobacco products to children.</p> <p>Vote for shareholder proposals asking producers of tobacco product components (such as filters, adhesives, flavorings, and paper products) to halt sales to tobacco companies.</p> <p>Vote for shareholder proposals that ask restaurants to adopt smoke-free policies and that ask tobacco companies to support smoke-free legislation.</p> <p>Vote for shareholder proposals seeking a report on a tobacco company's advertising approach.</p> <p>Vote for shareholder proposals at insurance companies to cease investment in tobacco companies.</p> <p>Vote for proposals at producers of cigarette components calling for a report outlining the risks and potential liabilities of the production of these components.</p> <p>Vote for proposals calling for tobacco companies to cease the production of tobacco products.</p> <p>Vote for shareholder proposals asking companies to stop all advertising, marketing and sale of cigarettes using the terms "light," "ultra-light," "mild," and other similar words and/or colors.</p> <p>Vote for shareholder proposals asking companies to increase health warnings on cigarette smoking. (i.e.: information for pregnant women, "Canadian Style" warnings, filter safety).</p>
Adopt Policy/Report on Drug Pricing	<p>Vote for shareholder proposals to prepare a report on drug pricing.</p> <p>Vote for shareholder proposals to adopt a formal policy on drug pricing.</p> <p>Vote for shareholder proposals that call on companies to develop a policy to provide affordable HIV, AIDS, TB and Malaria drugs in third-world nations.</p> <p>Vote for proposals asking for reports on the economic effects and legal risks of limiting pharmaceutical products in Canada or certain wholesalers.</p> <p>Vote case-by-case proposals requesting that companies adopt policies not to constrain prescription drug re-importation by limiting supplies to foreign markets.</p>
Social and Environmental Proposals - Government and Military	

Prepare Report to Renounce Future Landmine Production	Vote for shareholder proposals seeking a report on the renouncement of future landmine production.
Prepare Report on Foreign Military Sales	Vote for shareholder proposals to report on foreign military sales or offset agreements. All shareholder proposals related to restrictions on foreign military sales will be referred to Clean Yield Asset Management staff for case-by-case evaluation.
Depleted Uranium/Nuclear Weapons	Vote for shareholder proposals requesting a report on involvement, policies, and procedures related to depleted uranium (DU) and nuclear weapons.
Adopt Ethical Criteria for Weapons Contracts	Vote for shareholder proposals asking companies to review and amend, if necessary, the company's code of conduct and statements of ethical criteria for military production-related contract bids, awards and execution.
Social and Environmental Proposals - Animal Welfare	
Animal Rights/Testing	<p>Vote for shareholder proposals that seek to limit unnecessary animal testing where alternative testing methods are feasible or not barred by law.</p> <p>Vote for shareholder proposals that ask companies to adopt or/and report on company animal welfare standards</p> <p>Vote for shareholder proposals asking companies to report on the operational costs and liabilities associated with selling animals.</p> <p>Vote for shareholder proposals to eliminate cruel product testing methods.</p> <p>Vote for shareholder proposals that seek to monitor, limit, report, or eliminate outsourcing animal testing to overseas laboratories.</p> <p>Vote for shareholder proposals to publicly adopt or adhere to an animal welfare policy at both company and contracted laboratory levels.</p> <p>Vote for shareholder proposals to evaluate, adopt or require suppliers to adopt CAK and/or CAS slaughter methods.</p>
Political and Charitable Giving	
Lobbying Efforts	Vote for shareholder proposals asking companies to review and report on how companies utilize lobbying efforts to challenge scientific research and governmental legislation.

	Vote for proposals requesting information on a company's lobbying (including direct, indirect, and grassroots lobbying) activities, policies, or procedures.
Non-Partisanship/ Political Contributions	<p>Vote for proposals calling for a company to disclose political and trade association contributions, unless the terms of the proposal are unduly restrictive.</p> <p>Vote for proposals calling for a company to maintain a policy of non-partisanship and to limit political contributions.</p> <p>Vote for proposals asking the company to refrain from making any political contributions.</p>
Control over Charitable Contributions	<p>Generally vote for shareholder resolutions seeking enhanced transparency on corporate philanthropy.</p> <p>Vote against shareholder proposals giving criteria for requiring shareholder ratification of grants.</p> <p>Vote against shareholder proposals requesting that companies prohibit charitable contributions.</p>
Disclosure on Prior Government Service	Vote for shareholder proposals calling for the disclosure of prior government service of the company's key executives.
Consumer Lending and Economic Development	
Adopt Policy/Report on Predatory Lending Practices	Vote for shareholder proposals seeking the development of a policy or preparation of a report to guard against predatory lending practices.
Disclosure on Credit in Developing Countries (LDCs) or Forgive LDC Debt	<p>Vote for shareholder proposals asking for disclosure on lending practices in developing countries, unless the company has demonstrated a clear proactive record on the issue.</p> <p>Vote case-by-case on shareholder proposals asking for loan forgiveness at banks that have failed to make reasonable provisions for non-performing loans.</p> <p>Vote for proposals to restructure and extend the terms of non-performing loans.</p> <p>All shareholder proposals asking banks to forgive loans outright will be referred to Clean Yield Asset Management staff for case-by-case evaluation.</p>
Community Investing	Vote for proposals that seek a policy review or report addressing the company's community investing efforts.

Miscellaneous	
Adult Entertainment	Vote for shareholder proposals that seek a review of the company's involvement with pornography.
Abortion/Right to Life Issues	All shareholder proposals regarding right to life issues will be referred to Clean Yield Asset Management staff for case-by-case evaluation.
Coffee Crisis	Vote for shareholder proposals asking for reports on company policies related to the coffee crisis.
Anti-Social Proposals	<p>Vote against shareholder proposals that do not seek to ultimately advance the goals of the social investment community.</p> <p>Vote case-by-case on anti-social shareholder proposals seeking a review or report on the company's charitable contributions.</p>
Violence and Adult Themes in Video Games	Vote for shareholder proposals asking for reports on company policies related to the sale of mature-rated video games to children and teens.