

ROBECO INVESTMENT MANAGEMENT

ROBECO WEISS, PECK & GREER

ROBECO BOSTON PARTNERS

Proxy Voting Policies

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 Robeco Investment Management

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**Robeco Investment Management
Proxy Voting Policies
As of March 2013**

I. The Board of Directors

A. Voting on Director Nominees in Uncontested Elections

1. Votes on director nominees are made on a CASE-BY-CASE basis, examining the following factors:
 - a. Long-term corporate performance record relative to a market index;
 - b. Composition of board and key board committees;
 - c. Corporate governance provisions and takeover activity;
 - d. Nominee's attendance at meetings;
 - e. Nominee's investment in the company;
 - f. Whether a retired CEO sits on the board;
 - g. Whether the chairman is also serving as CEO;
 - h. Whether the nominee is an inside director and the full board serves as the audit, compensation, or nominating committee or the company does not have one of these committees; AND
 - i. Whether the company has failed to meet a predetermined performance test for issuers within the Russell 3000 index;
 - j. For issuers within the Russell 3000 index, after evaluating the company's overall performance relative to its peers, taking into account situational circumstances including (but not limited to) changes in the board or management, and year-to-date total shareholder returns;
 - k. On members of the Audit Committee and/or the full board if poor accounting practices are identified which rise to a level of serious concern, such as: fraud; misapplication of GAAP; and material weaknesses identified in Section 404 disclosures taking into consideration the severity, breadth, chronological sequence and duration, as well as the company's efforts at remediation or corrective actions in determining whether negative vote recommendations are warranted.
1. 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:
 - The date of the pill's adoption relative to the date of the next meeting of shareholders – i.e. whether the company had time to put the pill on ballot for shareholder ratification given the circumstances;
 - The issuer's governance structure and practices; and
 - The issuer's track record of accountability to shareholders.
2. In the following situations, votes on director nominees will be WITHHELD:

- a. Nominee attends less than 75% of the board and committee meetings without a valid excuse;
- b. Nominee implements or renews a dead-hand or modified dead-hand poison pill;
- c. Nominee ignores a shareholder proposal that is approved by a majority of shares outstanding;
- d. Nominee has failed to act on takeover offers where the majority of the shareholders have tendered their shares;
- e. Nominee is an inside director or affiliated outsider and sits on the audit, compensation, or nominating committees;
- f. Nominee is an inside director or affiliated outsider and the majority of the board is not independent;
- g. Nominee is an audit committee member when a company's non-audit fees are greater than 50% of all fees paid;
- h. Nominee has enacted egregious corporate governance policies or failed to replace management as appropriate;
- i. Nominee is CEO of a publicly traded company who serves on more than three public boards including his/her own board;
- j. From the entire board (except new nominees) where the director(s) receive more than 50% WITHHOLD votes of those cast and the issue underlying the WITHHOLD vote has not been addressed;
- k. From compensation committee members if there is a poor linkage between performance (1/3 yrs TSR) and compensation practices based on peer group comparisons;
- l. From compensation committee members if they fail to submit one-time transferable stock options to shareholders for approval;
- m. From compensation committee members if the company has poor compensation practices. Poor disclosure will also be considered. Poor compensation practices include, but are not limited to:
 - Egregious employment contracts including excessive severance provisions
 - Excessive perks that dominate compensation (base salary will be used as a relative measure to determine excessiveness)
 - Huge bonus payouts without justifiable performance
 - Performance metrics that are changed during the performance period
 - Egregious SERP payouts
 - New CEO with overly generous new hire package
 - Internal pay disparity
 - Poor practices (unless contractually bound) have not been remedied despite the previous application of cautionary language
 - Multi-year base salary increases guaranteed as part of an employment contract
 - Perks for former executives including car allowances and personal use of corporate aircraft

- Excessive severance/change in control arrangements now include any new or materially amended arrangements that include provisions for the payment of excise tax gross-ups (including modified gross-ups) and/or modified single-triggers (which allow an executive to receive change-in-control severance upon voluntary resignation during a window period following the change in control);
 - Liberal change in control definition in individual contracts or equity plans which could result in payments to executives without an actual change in control occurring;
 - Tax reimbursements of any executive perquisites or other payments will be considered a poor pay practice;
 - Payment of dividends or dividend equivalents on unearned performance awards will be considered a poor practice;
- n. From any nominee, with the exception of new nominees, if the company has a classified board and a continuing director is responsible for a problematic governance issue at the board/committee level;
3. In the following situations, votes on director nominees will be WITHHELD or voted AGAINST:
- a. Incumbent director nominees at Russell 3000 companies, if there is a lack of accountability and oversight, along with sustained poor performance relative to their peers; and
- b. Audit committee members when the company receives an Adverse Opinion on the company's financial statements from its auditors;
- c. The board adopts a poison pill with a term of more than 12 months ("long-term pill"), or renews any existing pill, including any "short-term pill" (12 months or fewer), without shareholder approval. A commitment or policy that puts a newly-adopted pill to a binding shareholder vote may potentially offset an adverse vote recommendation. Review such companies with classified boards every year, and such companies with annually-elected boards at least once every three years, and vote AGAINST or WITHHOLD votes from all nominees if the company still maintains a non-shareholder-approved poison pill. This policy will apply to all companies adopting or renewing pills after the announcement of this policy (Nov. 19, 2009.)
- d. The board makes a material, adverse change to an existing poison pill without shareholder approval.
- e. The entire board of directors (except new nominees, who will be considered on a CASE-BY-CASE basis), if:
- For 2014, 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 considered are:
 - Disclosed outreach efforts by the board to shareholders in the wake of the vote;
 - Rationale provided in the proxy statement for the level of implementation;
 - The subject matter of the proposal;
 - The level of support for and opposition to the resolution in past meetings;
 - Actions taken by the board in response to the majority vote and its engagement with shareholders;
 - The continuation of the underlying issue as a voting item on the ballot (as either shareholder or management proposals); and
 - Other factors as appropriate.;

4. Under extraordinary circumstances, RIM will vote AGAINST or WITHHOLD from individual directors, members of a committee, or the entire board, due to:
 - a. Material failures of governance, stewardship, risk oversight, or fiduciary responsibilities at the company (including but not limited to: bribery; large or serial fines or sanctions from regulatory bodies; significant adverse legal judgments or settlements; hedging company stock or significant pledging of company stock
 - b. Failure to replace management as appropriate; or
 - c. Egregious actions related to a director's service on other boards that raise substantial doubt about his or her ability to effectively oversee management and serve the best interest of shareholders at any company.
5. RIM will vote AGAINST or WITHHOLD from the entire board of directors (except new nominees, who should be considered CASE-BY-CASE) if
 - a. 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.
6. RIM will vote CASE-BY-CASE on the entire board if:
 - a. 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:
 - The board's rationale for selecting a different frequency;
 - The company's ownership structure and vote results;
 - Analysis of whether there are compensation concerns or a history of problematic compensation practices; and
 - The previous year's support level on the company's say-on-pay proposal.
7. RIM will vote on a CASE-BY-CASE basis 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:
 - a. The company's response, including:
 - Disclosure of engagement efforts with major institutional investors regarding the issues that contributed to the low level of support;
 - Specific actions taken to address the issues that contributed to the low level of support;
 - Other recent compensation actions taken by the company;
 - b. Whether the issues raised are recurring or isolated;
 - c. The company's ownership structure; and
 - d. Whether the support level was less than 50 percent, which would warrant the highest degree of responsiveness.

B. Majority Voting for Director Elections (U.S. and Canada)

Shareholder proposals calling for majority voting thresholds for director elections

We generally vote FOR these proposals unless the company has adopted formal corporate governance principles that present a meaningful alternative to the majority voting standard and/or provide an adequate response to both new nominees as well as incumbent nominees who fail to receive a majority of votes cast.

C. Chairman and CEO are the Same Person

We vote FOR shareholder proposals that would require the positions of chairman and CEO to be held by different persons.

D. Majority of Independent Directors

1. We vote FOR shareholder proposals that request that the board be composed of a two-thirds majority of independent directors.
2. We vote FOR shareholder proposals that request that the board audit, compensation and/or nominating committees be composed exclusively of independent directors.

E. Stock Ownership Requirements

1. We vote AGAINST shareholder proposals requiring directors to own a minimum amount of company stock in order to qualify as a director or to remain on the board.
2. We vote FOR management and shareholder proposals requiring directors be partially or fully paid in stock.

F. Options Backdating

1. We may recommend WITHHOLDING votes from the compensation committee, depending on the severity of the practices and the subsequent corrective actions on the part of the board.
2. We will adopt a CASE-BY-CASE policy to the options backdating issue. In recommending withhold votes from the compensation committee members who oversaw the questionable options grant practices or from current compensation committee members who fail to respond to the issue proactively, we will consider several factors, including, but not limited to, the following:
 - a. Reason and motive for the options backdating issue, such as inadvertent vs. deliberate grant date changes;
 - b. Length of time of options backdating;
 - c. Size of restatement due to options backdating;
 - d. Corrective actions taken by the board or compensation committee, such as canceling or repricing backdated options, or recoupment of option gains on backdated grants;

- e. Adoption of a grant policy that prohibits backdating, and creation of a fixed grant schedule or window period for equity grants going forward.

G. Lack of nominating committee

We will WITHHOLD votes from insiders and affiliated outsiders for failure to establish a formal nominating committee. Furthermore, WITHHOLD votes from insiders and affiliated outsiders on any company where the board attests that the ‘independent’ directors serve the functions of a nominating committee.

H. Term of Office

We vote AGAINST shareholder proposals to limit the tenure of outside directors. Term limits pose artificial and arbitrary impositions on the board and could harm shareholder interests by forcing experienced and knowledgeable directors off the board.

I. Requiring two or more nominees

We vote AGAINST proposals to require two or more candidates for each board seat.

J. Age Limits

We vote AGAINST shareholder proposals to impose a mandatory retirement age for outside directors.

K. Director and Officer Indemnification and Liability Protection

1. Proposals concerning director and officer indemnification and liability protection are evaluated on a CASE-BY-CASE basis.
2. We vote AGAINST proposals to limit or eliminate director and officer liability for monetary damages for violating the duty of care.
3. We 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.
4. We vote FOR only those proposals that provide such expanded coverage in cases when a director's or officer's legal defense was unsuccessful if: (a) the director was found to have acted in good faith and in a manner that he reasonably believed was in the best interests of the company, and (b) only if the director's legal expenses would be covered.

L. Succession Planning

Shareholder proposal seeking the adoption of a documented CEO succession planning policy.

We will evaluate such proposals on a CASE-BY-CASE basis considering the company’s current practices and the scope of the proposal.

M. Limits for directors receiving 25% Withhold Votes

Shareholder proposal seeking a policy that forbids any director who receives more than 25% withhold votes cast from serving on any key board committee for two years, and asks the board to find replacement directors for the committees if need be.

We will evaluate such proposals on a CASE-BY-CASE basis considering the company’s current practices and the scope of the proposal.

N. Establish/Amend Nominee Qualifications

We will vote CASE-BY-CASE on shareholder resolutions seeking a director nominee candidate who possesses a particular subject matter expertise, considering:

1. The company's board committee structure, existing subject matter expertise, and board nomination provisions relative to that of its peers;
2. The company's existing board and management oversight mechanisms regarding the issue for which board oversight is sought;
3. The company disclosure and performance relating to the issue for which board oversight is sought and any significant related controversies; and
4. The scope and structure of the proposal

O. Director Elections – Non-U.S. Companies

1. Canada

In the following situations, votes will be WITHHELD:

- a. From any director on the audit or compensation committee who served as the company's CEO or who, within the past five years, served as the company's CFO (This policy only applies to Toronto Stock Exchange (TSX) companies).;
- b. From audit committee members if audit fees are not disclosed in publicly filed documents or obtainable within a reasonable period of time prior to the shareholder's meeting;
- c. From audit committee members where "other" or non-audit related fees paid to the external auditor in the most recently completed fiscal year exceeded fees paid to that firm for all audit related services. In the case of slate ballots, a vote of WITHHOLD will be applied to the entire slate. (One-time fees disclosed as "other" that are paid for corporate reorganization services will be excluded from the calculation for determining whether non-audit fees exceed audit and audit-related fees paid to the external firm);
- d. The individual director has attended fewer than 75 percent of the board and committee meetings held within the past year without a valid reason for his or her absence and the company has a plurality vote standard;
- e. The individual director has attended fewer than 75 percent of the board and committee meetings held within the past year without a valid reason for his or her absence and a pattern of low attendance exists based on prior years' meeting attendance, and the company has adopted a majority vote standard.
- f. Generally WITHHOLD votes from all directors nominated by slate ballot at the annual/general or annual/special shareholders' meetings. This policy will not apply to contested director elections.
- g.

Votes from individual directors (and the whole slate if the slate includes such individual directors) who:

- Are insiders on the compensation or nominating committee and the committee is not majority independent.
- h. Votes from individual directors (and the whole slate if the slate includes such individual directors) who:
- Are insiders and the entire board fulfills the role of a compensation or nominating committee and the board is not majority independent

RIM policies support a one-share, one-vote principle. In recognition of the substantial equity stake held by certain shareholders, on a CASE-BY-CASE basis, director nominees who are or who represent a controlling shareholder of a majority owned company, who will be designated as controlling insiders, may generally be supported under ISS' board and committee independence policies, if the company meets **all** of the following independence and governance criteria:

- a. Individually elected directors;
- b. The number of related directors should not exceed the proportion of the common shares controlled by the controlling shareholder, to a maximum of two-thirds, however if the CEO is related to the controlling shareholder, then at least two-thirds of the directors should be independent of management;
- c. If the CEO and chair roles are combined or the CEO is or is related to the controlling shareholder, then there should be an independent lead director and the board should have an effective and transparent process to deal with any conflicts of interest between the company, minority shareholders, and the controlling shareholder; and
- d. A majority of the audit and nominating committees should be either independent directors or related directors who are independent of management. All members of the compensation committee should be independent of management, and, if the CEO is related to the controlling shareholder, no more than one member of the compensation committee should be a related director;
- e. Prompt disclosure of detailed vote results following each shareholder meeting; and
- f. Adoption of a majority vote standard with a director resignation policy for uncontested elections OR a public commitment to adopt a majority voting standard with a director resignation policy for uncontested elections if the controlling shareholder ceases to control 50 percent or more of the common shares.

RIM will also consider the following:

- a. Nominating committee has process to receive and discuss suggestions from shareholders for potential director nominees; and
- b. If the CEO is related to the controlling shareholder, the board's process to evaluate the performance, leadership, compensation, and succession of management should be led by independent directors.

RIM will also take into consideration any other concerns related the conduct of the subject director and any controversy or questionable actions on the part of the subject director that are deemed not to be in the best interests of all shareholders.

In the following situations, we will vote AGAINST:

- a. We will vote AGAINST compensation committee members if the company has poor pay practices as defined above.

- b. We will generally vote AGAINST the entire slate if individual director elections are not permitted and the company demonstrates poor pay practices as defined above.
 - c. We will generally vote AGAINST equity plans if plan is used as a vehicle for poor pay practices as defined above.
2. Europe
- a. **Directors' term of office**
For the markets of Belgium, Denmark, Finland, France, Ireland, Italy, Netherlands, Norway, Portugal, Sweden, and Switzerland, we vote AGAINST the election or reelection of any director when their term is not disclosed or when it exceeds four years and adequate explanation for non-compliance has not been provided.
 - b. **Executives on audit and remuneration committees**
For the markets of Finland, France, Ireland, the Netherlands, and Sweden, we vote AGAINST the election or reelection of any executive (as defined by RMG'S director categorization guidelines), including the CEO, who serve on the audit and/or remuneration committees. We vote AGAINST if the disclosure is too poor to determine whether an executive serves or will serve on a committee.
 - c. **Bundling of proposal to elect directors**
For the markets of France and Germany, we vote AGAINST the election or reelection of any director if the company proposes a single slate of directors.
 - d. **Majority-independent board (i.e., greater than 50%)**
For the markets of Switzerland, Belgium, Denmark, Norway, and the Netherlands, we vote AGAINST the election or reelection of any non-independent director (excluding the CEO) if the proposed board is not at least 50 % independent (as defined by RMG'S director categorization guidelines). For the markets of Finland, Sweden, Ireland, and Luxembourg, we vote AGAINST non-independent directors if there is not majority independence, but only for those companies that are part of the MSCI EAFE index.
Carve Outs: For the larger German companies where 50 % of the board must consist of labor representatives by law, we require one-third of the total board be independent.
France: We will vote FOR a non-independent, non-executive director, provided that two conditions are satisfied: future composition of the board of at least 33 percent of independents, AND improvements in board composition (e.g. independence increase from 25 to 40 percent).
 - e. **Disclosure of names of nominees**
For all European companies that are part of the MSCI EAFE index (Austria, Belgium, Switzerland, Germany, Denmark, Spain, Finland, France, Ireland, Italy, Netherlands, Norway, Portugal, Greece, and Sweden), we vote AGAINST the election or reelection of any directors when the names of the nominees are not disclosed in a timely manner prior to the meeting.. This policy will be applied to all companies in these markets, for bundled as well as unbundled items. In the case of Italy, once the list of nominees has been disclosed, we will evaluate each nominee on a CASE-BY- CASE basis. In the case of Poland and Turkey, RIM will vote FOR the election of directors in 2013 even if nominee names are not disclosed in a timely manner. Beginning in 2014, this grace period will cease.
 - f. **All European Markets**
RIM will vote AGAINST (re)election of a combined chair/CEO at core companies. However, with the company provides assurance that the chair/CEO would only serve in the combined role on an interim basis (no more than two years), with the intent of separating the roles within a given time frame, considerations should be given to these exceptional circumstances. In this respect,

the vote will be made on a CASE-BY-CASE basis. In order for RIM to consider a favorable vote for an interim combined chair/CEO the company will need to provide adequate control mechanisms on the board (such as a lead independent director, a high overall level of board independence, and a high level of independence on the board's key committees.

- g. For companies with a majority shareholder, generally vote against the election or reelection of any non-independent directors (excluding the CEO) if the level of independence on the board will be lower than the minority shareholders' percentage of equity ownership, or if the board will be less than one-third independent (whichever is higher.)

(In markets where the local corporate governance code addresses board independence at controlled companies, RIM will generally vote against the election or reelection of any non-independent directors (excluding the CEO) if the level of independence on the board is lower than the local code recommendation, but in any case, below 1/3.)

3. Ireland

We vote AGAINST on-independent directors if the majority board is not independent, but only for companies that are constituents of ISE 20.

4. Netherlands

We vote AGAINST nominees when their term is not disclosed or exceeds four years and an adequate explanation for noncompliance has not been provided.

5. Canada

- a. Vote case-by-case on proposals to adopt an Advance Notice Board Policy or to adopt or amend bylaws containing or adding an advance notice requirement, giving support to those proposals which provide a reasonable framework for shareholders to nominate directors by allowing shareholders to submit director 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, and to allow the board to waive any provision of the advance notice requirement.

To be reasonable, the company's deadline for notice of shareholders' director nominations must not be more than 65 days and not fewer than 30 days prior to the meeting date. If notice of annual meeting is given fewer than 50 days prior to the meeting date, a provision to require shareholder notice by close of business on the 10th day following first public announcement of the annual meeting is supportable. In the case of a special meeting, a requirement that a nominating shareholder must provide notice by close of business on the 15th day following first public announcement of the special shareholders' meeting is also acceptable.

In general, support additional efforts by companies to ensure full disclosure of a dissident shareholder's economic and voting position in the company so long as the informational requirements are reasonable and aimed at providing shareholders with the necessary information to review any proposed director nominees within a timely manner.

Generally, vote against if:

- The board may only waive a portion of the advance notice provisions under the policy or by-law, in its sole discretion; or
 - The company requires any proposed nominee to deliver a written agreement wherein the proposed nominee acknowledges and agrees that he or she will comply with all policies and guidelines of the company that are applicable to director.
- b. . Vote case-by-case on members of the Audit Committee and potentially the full board if adverse accounting practices are identified that rise to a level of serious concern, such as: accounting fraud, misapplication of applicable accounting standards, or material weaknesses identified in the internal process. Severity, breadth, chronological sequence, and duration as well as the company's efforts at remediation should be examined.
- c. Under extraordinary circumstances, withhold from directors individually one or more committee members, or the entire board, due to:
- Material failures of governance, stewardship, risk oversight or fiduciary responsibilities at eh company;
 - 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.
- d. Generally withhold from continuing individual directors, committee members, or the continuing members of the entire board if:
- At the previous board election, any director received more than 50% withhold votes of the votes cast under a majority voting/director resignation policy and the Nominating Committee has not required that the director leave the board after 90 days, or has not provided another form of acceptable response to the shareholder vote, which will be reviewed on a case-by-case basis;
 - At the previous board election, any director received more than 50% withhold votes of the votes cast under a plurality voting standard and the company has failed to address the issue(s) that caused the majority withheld vote; or
 - The board failed to act on a shareholder proposal that received the support of the majority of the votes case For and Against at the previous shareholder meeting.
- e. Generally withhold votes if director is overboarded and the individual director has attended fewer than 75% of his/her respective board and committee meetings within the past year without valid reason.

6. Australia

We vote AGAINST affiliated outsiders and insiders on remuneration and/or audit committees that are not majority independent.

7. Singapore

We vote AGAINST:

- a. Election of one executive director and one substantial-shareholder nominee where independent directors represent less than one-third of the board;
- b. Audit committee members who are former partners of the company's auditor;
- c. Directors who have attended less than 75 percent of meetings, without a reasonable explanation for those absences. (Acceptable explanations include Medical issues; family emergencies, the director has served for less than one year; missing one meeting of a total of three or fewer.)
- d. Election or reelection of non-independent nominees (including nominees who have been a partner of the company's auditor within the last three years or is on the audit committee of the company) if at least one-third of the board is not independent
- e. Classify a director as non-independent where the director has served on the board for more than nine years and where the board either fails to provide any reason for considering the director to still be independent, or where the stated reasons raise concerns among investors as to the director's true level of independence..

We will NOT vote against the election of a CEO or a company founder who is integral to the company.

8. Hong Kong

RIM will generally vote FOR director nominees to the board, however, we will vote AGAINST any nominee who:

- a. Is classified by the company as independent, but fails to meet the RIM criteria for independence
- b. Has been a partner of the company's auditor within the last three years, and serves on the audit committee;
- c. Had attended less than 75 percent of board meeting over the most recent two years, without a satisfactory explanation (Acceptable explanations include Medical issues; family emergencies, the director has served for less than one year; missing one meeting of a total of three or fewer.);
- d. Is an executive director serving on the remuneration committee or nomination committee, and the committee is not majority independent; or
- e. Is an executive director serving on the audit committee.
- f. Classified by the company as independent but fails to meet the ISS criteria for independence. Classify a director as non-independent where the director has served on the board for more than nine years, and where the board either fails to provide any reason for considering the director to still be independent, or where the stated reasons raise concerns among investors as to the director's true level of independence.

9. Hong Kong and Singapore: Generally vote AGAINST all members of the audit committee up for reelection if:

- a. The non-audit fees paid to the auditor exceed audit fees without satisfactory explanation; or
- b. The company did not disclose the audit fees and /or non-audit fees in the latest fiscal year.
- c. Vote AGAINST director nominees who sit on a total of more than six public company boards.

10. Malaysia, Thailand

Typically vote for the reelection of directors unless:

- a. The nominee is an executive director and serves on the audit, remuneration, or nomination committee; or
- b. The nominee has attended fewer than 75% of the board and committee meetings over the most recent year without a satisfactory explanation (Acceptable explanations include Medical issues; family emergencies, the director has served for less than one year; missing one meeting of a total of three or fewer.); or
- c. The nominee is a non-independent director and the board is less than 1/3 independent.
- d.

11. Korea

We vote AGAINST the election of an outside director to the board or to the audit committee where that director sits on a total of more than two public company boards.

12. South Korea

We vote AGAINST any nominee who is a non-independent director serving on the audit committee.

13. Korea, South Korea and South Africa

We vote AGAINST the reelection of any outside directors who have attended less than 75 % of board meetings.

14. South Korea, Philippines

- a. We vote FOR the election of directors unless there are specific concerns about the company, the board or the nominees.
- b. We vote on a CASE-BY-CASE basis that shareholders cumulate their votes for the independent directors .
- c. We vote AGAINST all director elections where insufficient information on nominees has been disclosed.
- d. Where independent directors represent less than a majority of the board, we will vote AGAINST the following directors:
 - Executive directors who are neither the CEO nor a member of the founding family and/or the most recently appointed non-independent non-executive director who represents a substantial shareholder, where the percentage of board seats held by representatives of the substantial shareholder are disproportionate to their holdings in the company.

15. Philippines

- a. Where independent directors represent less than the highest of three independent directors or 30 percent of the board, RIM will vote AGAINST the following directors:
 - An executive director with exception of the CEO; or
 - One non-executive non-independent director who represents a substantial shareholder where the number of seats held by the representatives is disproportionate to its holdings in the company.

16. Brazil

- a. RIM will vote AGAINST proposals to elect directors if the post-election board is not at least 30 percent independent. This policy applies to Novo Mercado companies.
- b. RIM will vote AGAINST proposals to elect directors if the post-election board is not at least 20 percent independent. This policy applies to Nivel 2 companies.

17. Austria

We vote AGAINST supervisory board elections if names of nominees are not disclosed, for companies that are part of the MSCI EAFE index and/or the Austrian ATX index.

18. France (MSCI EAFE Index) - Combined Chairman/CEO

On proposals to change the board structure from a two-tier structure to a one-tier structure with a combination of the functions of Chairman and CEO, and/or the election or the reelection of a combined Chairman and CEO:

We vote on a CASE-BY-CASE policy, accepting a combination generally only in the following cases:

- a. If it is a temporary solution;
- b. If his/her removal from the board would adversely impact the company's continuing operations;
- c. If the company provides compelling argumentation for combining the two functions; or
- d. If the company has put a sufficiently counterbalancing governance structure in place.

A counterbalancing structure may include the following:

- At least 50 percent of the board members are independent (one-third for companies with a majority shareholder) according to the RMG criteria;
- No executive serves on the audit committee and no executive serves on the remuneration committee (in the financial year under review if more up-to-date information is not available);
- The chairmen of audit, remuneration and nomination committees are independent directors; and
- All key governance committees have a majority of independent members.

If disclosure is not sufficient to determine the above, this will lead to a negative evaluation of the concerned criterion. We will apply this policy for all core companies in France. This policy will also apply for resolutions for the election or the reelection of a combined Chairman and CEO for companies of the MSCI EAFE index, which represents the world's largest companies that are expected to be held to higher standards.

Censor (non-voting board member) Elections: For widely held companies, RIM will generally vote AGAINST proposals seeking shareholder approval to elect a censor, to amend bylaws to authorize the appointment of censors, or to extend the maximum number of censors to the board.

However, RIM will vote on a CASE-BY-CASE basis when the company provides assurance that the censor would serve on a short-term basis (maximum one year) with the intent to retain the nominee before

his/her election as director. In this case, consideration shall also be given to the nominee's situation (notably overboarding or other factors of concern.)

In consideration of the principle that censors should be appointed on a short-term basis, RIM will vote AGAINST any proposal to renew the term of a censor or to extend the statutory term of censors.

For directors standing for (re)election at French companies, will take into account board appointments as censors .

19. Denmark - Discharge of Management and Board

We vote AGAINST proposals to abolish the authority of the general meeting to vote on discharge of the board and management since proposals to withhold discharge are regarded by international investors as an important means by which they may express serious concern of management and board action

20. Sweden - Director Elections/Labor Representatives

- a. For all Swedish MSCI EAFE companies, we vote AGAINST the election of nonindependent executive directors if less than 50 percent of the shareholder-elected members are independent non-executive directors.
- b. In addition, for Swedish MSCI EAFE companies with labor representatives on the board of directors, we will apply Criterion (1) above, PLUS require that at least one-third of the total board (shareholder-elected members and labor representatives) be independent non-executive directors.

21. Israel

For Israeli companies listed on the NASDAQ exchange, we vote AGAINST the election/reelection of non-independent directors if a given board is not majority-independent and does not have at least three external directors.

Director and Auditor Indemnification We evaluate proposals on director and officer indemnification and liability protection on a CASE-BY-CASE basis.

- a. We vote AGAINST proposals that would:
 - Eliminate entirely directors' and officers' liability for monetary damages for violating the duty of care;
 - Expand coverage beyond just legal expenses to liability for acts, such as negligence, that are more serious violations of fiduciary obligation than mere carelessness;
 - Expand the scope of indemnification to provide for mandatory indemnification of company officials in connection with acts that previously the company was permitted to provide indemnification for at the discretion of the company's board (i.e. "permissive indemnification") but that previously the company was not required to indemnify.
 - For Israeli companies that are listed on a U.S. stock exchange and file a Form 20-F, we will vote AGAINST if the election of non-independent directors who sit on a company's compensation committee.
 - If the board does not have compensation committee, we will vote AGAINST the non-independent directors serving on the board.

- b. We vote FOR only those proposals providing such expanded coverage in cases when a director's or officer's legal defense was unsuccessful: 1) if the director was found to have acted in good faith and in a manner that he reasonably believed was in the best interests of the company, and 2) if only the director's legal expenses would be covered.
- c. For the issue of Indemnification and Liability Agreements with D/O, which is more common than proposals to amend bylaws, resolutions are frequently proposed to permit the companies to enter into new indemnification agreements with certain officers. We SUPPORT such requests if a company's bylaws allow indemnification to such levels as allowed for under the Companies Law

22. Japan

- a. We vote AGAINST the reelection of directors who fail to attend at least 75 percent of board meetings, unless the company discloses a legitimate reason for poor attendance. The same policy will be applied to statutory auditors.
- b. For listed subsidiary companies that have publicly-traded parent cos, we vote AGAINST reelection of the top executive(s) if the board, after the shareholder meeting does not include at least two independent directors.
- c. For listed subsidiaries with the three-committee structure, we vote AGAINST the reappointment of nomination committee members who are insiders or affiliated outsiders, unless the board after the shareholder meeting includes at least two independent directors.
- d. The firm will not vote AGAINST the reelection of executives as long as the board includes at least one independent director.
- e. We vote AGAINST the top executive at listed companies that have controlling shareholders, where the board after the shareholder meeting does not include at least two independent directors based on ISS' independence criteria for Japan.
- f. For companies with a three-committee structure, RIM will vote AGAINST outside director nominees who are regarded as non-independent. However, if a majority of the directors on the board after the shareholder meeting are independent outsiders, vote FOR the appointment of affiliated outsiders
- g. Vote AGAINST the top executive of a Japanese company if the board does not include at least one outside director.

23. Germany

- a. For core companies with employee representatives on supervisory board: We vote AGAINST any non-independent director if less than one-third of the supervisory board is independent.
- b. For core companies without employee representatives: We vote AGAINST any non-independent director if less than one-half of the supervisory board is independent.
- c. We vote AGAINST supervisory board nominees in they hold more than a total of five supervisory board or foreign board of director seats and serve in an executive role at another company.

24. Spain

- a. We vote AGAINST non-independent directors (excluding the CEO) for all core companies where the board is not at least one-third independent.

- b. We vote AGAINST the routine election and reelection of directors when his/her term is not disclosed or when it exceeds four years and adequate explanation for non-compliance has not been provided. This policy applies for bundled as well as unbundled items.

25. United Kingdom

We consider on a CASE-BY-CASE basis the re-election of the Chairman of the board. In situations where he or she has direct responsibility for failure to comply with (or to explain satisfactorily) the Code, we vote ABSTAIN, or, if such an option is unavailable, we vote CONTENTIOUS FOR, or AGAINST.

26. Germany, U.K., The Netherlands

We will generally vote AGAINST the election or reelection of a former CEO as chairman to the supervisory board or the board of directors, unless:

- a. There are compelling reasons that justify the election or re-election of a former CEO as chairman;
- b. The former CEO is proposed to become the board's chairman only on an interim or temporary basis;
- c. The former CEO is proposed to be elected as the board's chairman for the first time after a reasonable cooling-off period; or
- d. The board chairman will not receive a level of compensation comparable to the company's executives nor assume executive functions in markets where this is applicable.

27. Latin America, Turkey, Indonesia

WE will vote AGAINST election of directors if the name of the nominee is not disclosed in a timely manner prior to the meeting. This is only for each respective market's main blue chip (large cap) index.

28. Russia

WE will vote AGAINST proposals to elect directors, if names of nominees are not disclosed.

29. Taiwan

WE will vote AGAINST the election of directors if the names or shareholder ID numbers are not disclosed.

30. India

- a. RIM votes AGAINST all non-independent director nominees (other than a CEO/managing director, executive chairman, or company founder who is deemed integral to the company) where independent directors represent less than one-third of the board (if the chairman is a non-executive) or one-half of the board (if the chairman is an executive director or a promoter director.) Austria:
- b. We will vote AGAINST the election or reelection of any non-independent directors (excluding the CEO) if the proposed board is not at least 50-percent independent (as defined by ISS' director categorization guidelines). If a nominee cannot be categorized, RIM will assume that person is non-independent and include that nominee in the calculation. The policy will apply only to core companies. For core companies where the board must include labor representatives by law, RIM will require that one-third of the total board be independent
- c. Vote against the re/election of a director if the nominee has attended less than 75 percent of board and key committee (audit, compensation, and nominating) meetings over the most recent

fiscal year, without a satisfactory explanation. (Acceptable explanations include Medical issues; family emergencies, the director has served for less than one year; missing one meeting of a total of three or fewer.)

31. Finland:

- a. As it is market practice in Finland to have non-board members that are representatives of major shareholders serving on the nominating committee, we will FOR proposals to elect a nominating committee consisting of mainly non-board members, but advocate disclosure of the names of the proposed candidates to the committee in the meeting notice.
- b. We will also vote FOR shareholder proposals calling for disclosure of the names of the proposed candidates at the meeting, as well as the inclusion of a representative of minority shareholders in the committee.

27. South Africa:

We will vote FOR the reelection of directors unless:

- a. Adequate disclosure has not been provided in a timely manner;
- b. There are clear concerns over questionable finances or restatements;
- c. There have been questionable transactions with conflicts of interest;
- d. There are any records of abuses against minority shareholder interests;
- e. The board fails to meet minimum governance standards;
- f. There are specific concerns about the individual nominee, such as criminal wrongdoing or breach of fiduciary responsibilities;
- g. Repeated absences (less than 75 percent attendance) at board meetings have not been explained; or
- h. Elections are bundled.

Additional factors resulting from recent changes in local code of best practice include:

- a. The director is an executive who serves on one of the key board committees (audit, compensation, nominations);
- b. The director combines the roles of chair and CEO and the company has not provided an adequate explanation;
- c. The director is the former CEO who has been appointed as chair;
- d. The director is a non-independent NED who serves on the audit committee;
- e. The director is a non-independent NED who serves on the compensation or nomination committee and there is not a majority of independent NEDs on the committee. However, such a consideration should take into account the potential implications for the board's black economic empowerment (BEE) credentials;
- f. The director is a non-independent NED and the majority of NEDs on the board are not independent. However, such a consideration should take into account the potential implications for the board's black economic empowerment (BEE) credentials;

We will vote FOR the reelection of the audit committee and/or audit committee members unless:

- c. The committee includes one or more non-independent NEDs;
- d. The audit committee member is a non-independent NED;
- e. Members of the committee do not meet the further minimum requirements for audit committee membership to be outlined by the South African government;

There are serious concerns about the accounts presented, the audit procedures used, or some other feature for which the audit committee has responsibility

28. Greece:

Vote against the election or reelection of any non-independent directors if the proposed board is not at least one-third independent (as defined by ISS' director classification guidelines). If elections are bundled and the proposed board is not at least one-third independent, vote against the entire slate. If a nominee cannot be categorized, ISS will assume that person is non-independent and include that nominee in the calculation. This policy will be applied to widely held* companies incorporated in Greece.

29. Hungary:

Generally vote against the election or reelection of any non-independent directors (excluding the CEO) if the board is not at least 50 percent independent. If a nominee cannot be categorized, ISS will consider that person non-independent and include that nominee in the calculation for determining the board independence percentage. The policy will apply to widely held companies.

30. Tax Havens

- f. For US companies we apply the US guidelines.
- g. For foreign private issuers, we vote AGAINST affiliated outsiders on the audit committee.

- h. Truly foreign companies that do not have a U.S. listing will be evaluated under the corporate governance standards of their home market.
- i. For uniquely structured shipping companies we vote AGAINST executive nominees when the company has not established a compensation committee when i) the company does not pay any compensation to its executive officers; ii) any compensation is paid by a third party under a contract with the company.
- j. We vote AGAINST affiliated outsider directors on the audit, compensation, and nominating committees.
- k. We vote AGAINST inside directors and affiliated outside directors for foreign private issuers that trade exclusively in the United States but fail to establish a majority independent board.

II. Proxy Contests

A. Voting for Director Nominees in Contested Elections

Votes in a contested election of directors are evaluated on a CASE-BY-CASE basis, considering the following factors:

1. Long-term financial performance of the target company relative to its industry;
2. Management's track record;
3. Background to the proxy contest;
4. Qualifications of director nominees (both slates);
5. Evaluation of what each side is offering shareholders as well as the likelihood that the proposed objectives and goals can be met; and
6. Stock ownership positions.

B. Reimburse Proxy Solicitation Expenses

We vote AGAINST proposals to provide full reimbursement for dissidents waging a proxy contest.

III. Auditors

A. Ratifying Auditors

1. Proposals to ratify auditors are made on a CASE-BY-CASE basis.
2. We vote AGAINST the ratification of auditors and audit committee members when the company's non-audit fees ("other") are excessive. In circumstances where "other" fees are related to initial public offerings, bankruptcy emergence, and spin-offs, and the company makes public disclosure of the amount and nature of those fees which are determined to be an exception to the standard "non-audit fee" category, then such fees may be excluded from the non-audit fees considered in determining the ratio of non-audit to audit/audit-related fees/tax compliance and preparation for purposes of determining whether non-audit fees are excessive.

Audit Fees = statutory audit fees + audit related fees + permissible tax services (this excludes tax

strategy)

Non-Audit Fees = other fees (ex. consulting)

The formula used to determine if the non-audit fees are excessive is as follows:

Non-audit (“other”) fees > (audit fees + audit-related fees + tax compliance/preparation fees)

3. We vote AGAINST the ratification of auditors if there is reason to believe that the independent auditor has rendered an opinion which is neither accurate nor indicative of the company’s financial position.
4. We WITHHOLD votes from audit committee members when the company’s non-audit fees (ex. consulting) are greater than 50% of total fees paid to the auditor. We may take action against members of an audit committee in situations where there is persuasive evidence that the audit committee entered into an inappropriate indemnification agreement with its auditor that limits the ability of the company, or its shareholders, to pursue legitimate legal recourse against the audit firm.
5. We WITHHOLD votes from audit committee members when auditor ratification is not included on the proxy ballot.

B. Italy - Director and Auditor Indemnification

Proposals seeking indemnification and liability protection for directors and auditors

1. Votes are made on a CASE-BY-CASE basis to indemnify directors and officers, and we vote AGAINST proposals to indemnify external auditors.
2. We vote FOR the indemnification of internal auditors, unless the costs associated with the approval are not disclosed.

C. Austria, Greece, Portugal and Spain:

We vote FOR the reelection of auditors and /or proposals authorizing the board to fix auditor fees, unless:

1. There are serious concerns about the procedures used by the auditor;
2. There is reason to believe that the auditor has rendered an opinion, which is neither accurate nor indicative of the company’s financial position;
3. External auditors have previously served the company in an executive capacity or can otherwise be considered affiliated with the company;
4. Name of the proposed auditors has not been published;
5. The auditors are being changed without explanation; or
6. Fees for non-audit services exceed standard annual audit-related fees.

D. Hong Kong, Singapore

1. Vote FOR proposals to (re)appoint auditors and authorize the board to fix their remuneration, unless:
 - a. There are serious concerns about the accounts presented or the audit procedures used;
 - b. The auditor is being changed without explanation; or
 - c. The non-audit fees exceed the audit fees paid to the external auditor in the latest fiscal year without satisfactory explanation.

E. MSCI EAFE Companies - Auditor Fee Disclosure

1. We vote FOR auditor ratification and/or approval of auditors' fees, unless: Auditors' fees for the previous fiscal year are not disclosed and broken down into at least audit and non-audit fees.
2. The fees must be disclosed in a publicly available source, such as the annual report or company Web site. If approval of auditors' fees and auditor ratification are two separate voting items, a vote recommendation of AGAINST would apply only to the fees, not to the auditor ratification.

IV. Proxy Contest Defenses

A. Board Structure: Staggered vs. Annual Elections

1. We vote AGAINST proposals to classify the board.
2. We vote FOR proposals to repeal classified boards and to elect all directors annually.

B. Shareholder Ability to Remove Directors

1. We vote AGAINST proposals that provide that directors may be removed only for cause.
2. We vote FOR proposals to restore shareholder ability to remove directors with or without cause.
3. We vote AGAINST proposals that provide that only continuing directors may elect replacements to fill board vacancies.
4. We vote FOR proposals that permit shareholders to elect directors to fill board vacancies.

C. Cumulative Voting

1. We vote AGAINST proposals to eliminate cumulative voting.
2. We generally vote FOR proposals to restore or permit cumulative voting unless there are compelling reasons to recommend AGAINST the proposal, such as:
 - a. the presence of a majority threshold voting standard with a carve-out for plurality in situations where there are more nominees than seats, and a director resignation policy to address failed elections;

- b. a proxy access provision in the company's bylaws, or a similar structure that allows shareholders to nominate directors to the company's ballot
3. We vote FOR proposals for cumulative voting at controlled companies (insider voting power > 50%).

D. Shareholder Ability to Call Special Meetings

- 1. We vote AGAINST proposals to restrict or prohibit shareholder ability to call special meetings.
- 2. We vote FOR proposals that remove restrictions on the right of shareholders to act independently of management.

E. Shareholder Ability to Act by Written Consent

- 1. We will generally vote AGAINST management and shareholder proposals to restrict or prohibit shareholders' ability to act by written consent.
- 2. Generally vote FOR management and shareholder proposals that provide shareholders with the ability to act by written consent, taking into account the following factors:
 - a. Shareholders' current right to act by written consent;
 - b. The consent threshold;
 - c. The inclusion of exclusionary or prohibitive language;
 - d. Investor ownership structure; and
 - e. Shareholder support of, and management's response to, previous shareholder proposals.
- 3. RIM will 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:
 - a. An unfettered¹ right for shareholders to call special meetings at a 10 percent threshold;
 - b. A majority vote standard in uncontested director elections;
 - c. No non-shareholder-approved pill; and
 - d. An annually elected board.

F. Shareholder Ability to Alter the Size of the Board

- 1. We vote FOR proposals that seek to fix the size of the board.
- 2. We vote AGAINST proposals that give management the ability to alter the size of the board without shareholder approval.

¹ "Unfettered" means no restrictions on agenda items, no restrictions on the number of shareholders who can group together to reach the 10 percent threshold, and only reasonable limits on when a meeting can be called: no greater than 30 days after the last annual meeting and no greater than 90 prior to the next annual meeting.

3. We vote AGAINST proposals seeking to amend the company's board size to fewer than five seats or more than fifteen seats.

V. Tender Offer Defenses

A. Poison Pills

1. We generally vote FOR shareholder proposals that ask a company to submit its poison pill for shareholder ratification unless:
 - a. A shareholder-approved poison pill is in place.
 - b. The company has adopted a policy specifying that the board will only adopt a shareholder rights plan if either:
 - i. Shareholders have approved the adoption of the plan, or
 - ii. The board determines that it is in the best interest of shareholders to adopt a pill without the delay of seeking shareholder approval, in which the pill will be put to a vote within 12 months of adoption or it will expire.
2. We vote FOR shareholder proposals to redeem a company's poison pill.
3. We vote AGAINST management proposals to ratify a poison pill.
4. We will vote on a CASE-BY-CASE basis on proposals to adopt a poison pill or protective amendment to preserve a company's net operating losses based on the following criteria:
 - a. The trigger (NOL pills generally have a trigger slightly below 5 percent);
 - b. The value of the NOLs;
 - c. The term;
 - d. Shareholder protection mechanisms (sunset provision, causing expiration of the pill upon exhaustion or expiration of NOLs); and other factors that may be applicable.
 - e. The company's existing governance structure including: board independence, existing takeover defenses, track record of responsiveness to shareholders, and any other problematic governance concerns; and
 - f. Any other factors that may be applicable.

B. Poison Pills (Japan)

We vote on a CASE-BY-CASE basis and will only SUPPORT resolutions if:

1. The decision to trigger the pill is made after an evaluation of the takeover offer by a committee whose members are all independent of management.
2. The pill will not be triggered unless the potential acquirer has purchased a stake of at least 20% of issued share capital.
3. The effective duration of the poison pill is for a maximum of three years.
4. The board includes at least 20% (but no fewer than two) independent directors, and the directors are subject to annual election by shareholders.

5. The company has disclosed under what circumstances it expects to make use of the authorization to issue warrants and has disclosed what steps it is taking to address the vulnerability to a takeover by enhancing shareholder value.
6. There are no other protective or entrenchment tools.
7. The company releases its proxy circular, with details of the poison pill proposal, at least three weeks prior to the meeting.

C. Anti-Takeover Proposals (France)

We vote AGAINST all anti-takeover proposals unless they are structured in such a way that they give shareholders the ultimate decision on any proposal or offer.

D. Fair Price Provisions

1. We vote proposals to adopt fair price provisions on a CASE-BY-CASE basis, 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.
2. We vote FOR shareholder proposals to lower the shareholder vote requirement in existing fair price provisions.

E. Greenmail

1. We vote FOR proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.
2. We review on a CASE-BY-CASE basis anti-greenmail proposal when they are bundled with other charter or bylaw amendments.

F. Pale Greenmail

We review on a CASE-BY-CASE basis restructuring plans that involve the payment of pale greenmail.

G. Unequal Voting Rights

1. We vote AGAINST dual class exchange offers.
2. We vote AGAINST dual class recapitalizations.

H. Supermajority Shareholder Vote Requirement to Amend the Charter or Bylaws

1. We vote AGAINST management proposals to require a supermajority shareholder vote to approve charter and bylaw amendments.
2. We vote FOR shareholder proposals to lower supermajority shareholder vote requirements for charter and bylaw amendments. However for companies with shareholder(s) who have significant ownership levels, we vote on a CASE-BY-CASE basis, taking into account the following criteria:
 - a. Ownership structure;
 - b. Quorum requirements; and

- c. Supermajority vote requirements.

I. Supermajority Shareholder Vote Requirement to Approve Mergers

- 1. We vote AGAINST management proposals to require a supermajority shareholder vote to approve mergers and other significant business combinations.
- 2. We vote FOR shareholder proposals to lower supermajority shareholder vote requirements for mergers and other significant business combinations.

J. White Squire Placements

We vote FOR shareholder proposals to require approval of blank check preferred stock issues for other than general corporate purposes.

K. Protective Preference Shares

We evaluate these proposals on a CASE-BY-CASE basis and will only support resolutions if:

- 1. The supervisory board needs to approve an issuance of shares while the supervisory board is independent within the meaning of RMG'S categorization rules and the Dutch Corporate Governance Code.
- 2. No call/put option agreement exists between the company and the foundation.
- 3. There is a qualifying offer clause or there are annual management and supervisory board elections.
- 4. The issuance authority is for a maximum of 18 months.
- 5. The board of the company-friendly foundation is independent.
- 6. The company has disclosed under what circumstances it expects to make use of the possibility to issue preference shares.
- 7. There are no priority shares or other egregious protective or entrenchment tools.
- 8. The company releases its proxy circular, with details of the poison pill proposal, at least three weeks prior to the meeting.
- 9. Art 2:359c Civil Code of the legislative proposal has been implemented.

VI. Miscellaneous Governance Provisions

A. Confidential Voting

- 1. We vote FOR shareholder proposals that request corporations to adopt confidential voting, to use independent tabulators, and to use independent inspectors of election as long as the proposals include clauses for proxy contests as follows: In the case of a contested election, management should be permitted to request that the dissident group honor its confidential voting policy. If the dissidents agree, the policy remains in place. If the dissidents do not agree, the confidential voting policy is waived.

2. We vote FOR management proposals to adopt confidential voting.
3. WE vote on a case-by-case basis on proposals regarding proxy voting mechanics, taking into consideration whether implementation of the proposal is likely to enhance or protect shareholder rights. Issues include confidential voting of individual proxies and ballots, confidentiality of running vote tallies, treatment of abstentions and/or broker non-votes in counting methodology. Factors considered are transparency, consistency, fairness. Other factors include:
 - a. The scope and structure of the proposal
 - b. the company's stated confidential voting policy and whether it ensures a 'level playing field' by providing shareholder proponents with equal access to vote information prior to the annual meeting;
 - c. The company's vote standard for management and shareholder proposals and whether it ensures consistency and fairness in the process and maintains the integrity of vote results;
 - d. Whether the company's disclosure regarding its vote counting method and other relevant voting policies with respect to management and shareholder proposals are consistent and clear;
 - e. Any recent controversies or concerns related to the company's proxy voting mechanic;
 - f. Any unintended consequences resulting from implementation of the proposal; and
 - g. any other relevant factors.

B. Equal Access

RIM will vote on a CASE-BY-CASE basis on proposals to enact proxy access, taking into account, among other factors:

1. Company-specific factors; and
2. Proposal-specific factors, including:
 - a. The ownership thresholds proposed in the resolution (i.e. percentage and duration);
 - b. The maximum proportion of directors that shareholders may nominate each year; and
 - c. The method of determining which nominations should appear on the ballot if multiple shareholders submit nominations. .

C. Bundled Proposals

We review on a CASE-BY-CASE basis bundled or "conditioned" proxy proposals. In the case of items that are conditioned upon each other, we examine the benefits and costs of the packaged items. In instances when the joint effect of the conditioned items is not in shareholders' best interests, we vote AGAINST the proposals. If the combined effect is positive, we SUPPORT such proposals.

D. Shareholder Advisory Committees

We vote AGAINST proposals to establish a shareholder advisory committee.

E. Charitable Contributions

We vote AGAINST shareholder proposals to eliminate, direct or otherwise restrict charitable contributions.

F. Adjourn Meeting Requests to Solicit Additional Proxies to Approve Merger Agreement

We will vote FOR this when:

1. We support the underlying merger proposal
2. The company provides a compelling reason and
3. The authority is limited to adjournment proposals requesting the authority to adjourn solely to solicit proxies to approve a transaction that we support.

G. Related-Party Transactions (France)

Management proposals to approve the special auditor’s report regarding regulated agreements

1. We evaluate these proposals on a CASE-BY-CASE basis taking into consideration the individuals concerned in the agreement, detailed content of the agreement, and convened remuneration.
2. We vote AGAINST if the report is not available 21 days prior to the meeting date, or if the report contains an agreement between a non-executive director and the company for the provision of consulting services.
3. We vote FOR if the report is not available 21 days prior to the meeting date, but the resolution states that there are none.

H. Related Party Transaction Auditor Reports (France)

We will evaluate on a CASE-BY-CASE basis considering 1) adequate disclosure, 2) sufficient justification on apparently unrelated transactions, 3) fairness option (if applicable), and 4) any other relevant information.

I. Related Party Transactions (Malaysia)

RIM will vote AGAINST a related-party transaction if:

- A director who is classified by the company as independent has a vested interest in the business transaction AND
- The value of the transaction exceeds MYR 250,000. In addition, directors involved in related party transaction in excess of MYR 250,000 will be classified as non-independent.

J. Financial Assistance Authorities (South Africa)

Generally vote FOR a general authority to provide financial assistance, unless:

- As part of the authority, the company requests a general authority to provide financial assistance to directors, and this is not limited to participation in share incentive schemes; and/or
- As part of the authority, the company seeks approval to provide financial assistance “to any person.”

K. Authority to Reduce Minimum Notice Period for Calling a Meeting (non-US Companies)

Central and Eastern Europe

We will vote proposals to reduce minimum notice period for calling a meeting on a CASE-BY-CASE basis.

Generally, approve “enabling” authority proposal on the basis that RIM would typically expect companies to call EGMs/GMs using a notice period of less than 21 days only in limited circumstances where a shorter notice period will be to the advantage of shareholders as a whole. By definition, EGMs being regular meetings of the company, should not merit a notice period of less than 21 days.

In a market where local legislation permits EGM/GM to be called at no less than 14-day’s notice, RMG will generally support the proposal if the company discloses that eh shorter notice period of between 20 and 14 days would not be used as a routine matter for such meetings buy only when the flexibility is merited by the business of the meeting. Where the proposal at a give EGM/GM is not time-sensitive, RIM would not typically expect a company to invoke the shorter notice notwithstanding any prior approval of the enabling authority proposal by shareholders.

With the exception of the first AGM at which approval of the enabling authority is sought, when evaluating an enabling authority proposal, RIM will consider the company’s use of shorter notice periods in the preceding year to ensure that such periods were invoked solely in connection with genuinely time-sensitive matters. Where the company has not done so, and fails to provide a clear explanation, we will consider voting AGAINST the enabling authority for the coming year.

J. Independent Proxy (Switzerland)

RIM will generally vote FOR proposals to elect an independent proxy for shareholder representation at annual general meetings for a term lasting until the following year’s ordinary general meeting. Absent any concerns about the independence of the proposed proxy, there are routine resolutions as the elected proxy must be independent as defined by Art. 728 of the Swiss Code of Obligations, the same definition of independence applied to external auditors.

K. Exclusive Venue Proposals (Mgmt proposals seeking exclusive jurisdiction for resolution of disputes)

RIM will vote on a CASE-BY-CASE basis on exclusive venue proposals taking into account:

1. 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
2. whether the company has the following good governance features:
 - a. an annually elected board;
 - b. a majority vote standard in uncontested director elections; and
 - c. the absence of a poison pill, unless the pill was approved by shareholders.

VII. Capital Structure

A. Common Stock Authorization

1. We review on a CASE-BY-CASE basis proposals to increase the number of shares of common stock authorized for issue.

2. We vote AGAINST proposals to increase the number of authorized shares of the class of stock that has superior voting rights in companies that have dual-class capitalization structures.
3. We vote AGAINST proposals which request increases in the number of authorized shares over a level 50 % above currently authorized shares, after taking into account any stock split or financing activity, without specific reasons.

B. Capital Issuance Requests

1. General issuance requests under both authorized and conditional capital systems allow companies to issue shares to raise funds for general financing purposes. Issuances can be carried out with or without preemptive rights. Corporate law in many countries recognizes preemptive rights and requires shareholder approval for the disapplication of such rights.
 - a. We vote FOR general issuance requests with preemptive rights for up to 50% of a company's outstanding capital.
 - b. We vote FOR general issuance requests without preemptive rights for up to 10% of a company's outstanding capital.
 - c. We vote AGAINST global company issuances without preemptive rights over 10% of a company's outstanding capital.
2. **Specific issuance** requests will be judged on their individual merits.
3. **Protective Preference Shares (Netherlands)**
Management proposals to approve protective preference shares to company-friendly foundations: We will evaluate these proposals on a CASE-BY-CASE basis and will only support resolutions if:
 - a. The supervisory board needs to approve an issuance of shares while the supervisory board is independent within the meaning of RMG'S categorization rules and the Dutch Corporate Governance Code.
 - b. No call/put option agreement exists between the company and the foundation.
 - c. There is a qualifying offer clause or there are annual management and supervisory board elections.
 - d. The issuance authority is for a maximum of 18 months.
 - e. The board of the company-friendly foundation is independent.
 - f. The company has disclosed under what circumstances it expects to make use of the possibility to issue preference shares.
 - g. There are no priority shares or other egregious protective or entrenchment tools.
 - h. The company releases its proxy circular, with details of the poison pill proposal, at least three weeks prior to the meeting.
 - i. Art 2:359c Civil Code of the legislative proposal has been implemented.
4. **U.K and Netherlands**
We will vote FOR issuance requests only if share issuance periods are limited to 18 months.
5. **South Africa**

- a. We will vote FOR a general Authority to place authorized but unissued shares under the control of the directors unless:
 - i. The authority is over a number of shares equivalent to more than 10% of the current issued share capital.
 - ii. The authority would allow shares to be used for share incentive scheme purposes and the underlying scheme(s) raises concerns.
 - iii. The company used the authority during the previous year in a manner deemed not to be in shareholders' best interests.
- b. We will vote FOR a general authority to issue shares for cash unless:
 - i. The authority is over a number of shares equivalent to more than 10% of the current issued share capital.
 - ii. The company used the authority during the previous year in a manner deemed not to be in shareholder's interest.

6. **Taiwan**

Generally vote FOR general mandate for public share issuance if the issue size is no more than 20% of the existing share capital or if the mandate includes a private placement as one of the financing channels if the resulting dilution rate is no more than 10%.

We vote on a CASE-BY-CASE basis on requests to issue shares for a specific purpose such as the financing of a particular project, an acquisition or a merger.

7. **France**

We generally vote for general authorities to issue shares without preemptive rights up to a maximum of 10 percent of share capital.

C. Stock Distributions: Splits and Dividends

We 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 in terms of shareholder returns.

D. Reverse Stock Splits

1. We vote FOR management proposals to implement a reverse stock split when the number of shares will be proportionately reduced to avoid delisting.
2. We vote CASE-BY-CASE on proposals to implement a reverse stock split that do not proportionately reduce the number of shares authorized for issue.

E. Preferred Stock

1. We vote AGAINST proposals authorizing the creation of new classes of preferred stock with unspecified voting, conversion, dividend distribution, and other rights ("blank check" preferred stock).
2. We vote FOR proposals to create blank check preferred stock in cases when the company expressly states that the stock will not be used as a takeover defense.

3. We vote FOR proposals to authorize preferred stock in cases where the company specifies that the voting, dividend, conversion, and other rights of such stock and the terms of the preferred stock appear reasonable.

4. We review on a CASE-BY-CASE BASIS proposals to increase the number of blank check preferred shares after analyzing the number of preferred shares available for issue given a company's industry and performance in terms of shareholder returns.

F. Adjustments to Par Value of Common Stock

We vote FOR management proposals to reduce the par value of common stock.

G. Preemptive Rights

1. We vote FOR proposals to create preemptive rights.

2. We vote AGAINST proposals to eliminate preemptive rights.

H. Debt Restructurings

We review on a CASE-BY-CASE basis proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan. We consider the following issues:

1. Dilution: How much will ownership interest of existing shareholders be reduced, and how extreme will dilution to any future earnings be?

2. Change in Control: Will the transaction result in a change in control of the company?

3. Bankruptcy: Generally, we approve proposals that facilitate debt restructurings unless there are clear signs of self-dealing or other abuses.

I. Share Repurchase Programs

1. We will generally vote FOR market repurchase authorities/share repurchase programs provided that the proposal meets the following parameters:

a. Maximum volume: 10 percent for market repurchase within any single authority (Carve out: 15 percent in the U.K.) and 10 percent of outstanding shares to be kept in treasury ("on the shelf");

b. Duration does not exceed 18 months. For company's who operate in markets that do not specify a maximum duration or durations last beyond 18 months. We will assess their historic practices.

2. Vote AGAINST proposals where:

a. The repurchase can be used for takeover defenses;

b. There is clear evidence of abuse;

c. There is no safeguard against selective buybacks;

d. Pricing provisions and safeguards are deemed to be unreasonable in light of market practice.

3. Consider Case-by-Case if these conditions are met:

- a. The overall balance of the proposed plan seems to be clearly in shareholders' interests;
- b. The plan still respects the 10 percent maximum of shares to be kept in treasury.

J. Share Repurchase Programs to Fund Stock Option Plans

1. Spain

We vote AGAINST proposals to repurchase shares in connection with stock option plans when no information associated with the plan is available prior to the general meeting. However, we will maintain our stance on routine repurchases if it is disclosed that there is no connection.

2. Portugal

We will consider this item on a CASE-BY-CASE basis and will take into consideration whether information associated with the plan is available prior to the general meeting, and if there is any improvement in disclosure around option plans.

K. Additional Share Repurchase Programs

1. Denmark

Repurchase of shares in lieu of dividends – We will consider this item on a CASE-BY-CASE basis considering tax benefits and cost savings.

2. Germany and Italy

Repurchase shares using put and call options – We will vote FOR provided the company details:

- a. Authorization is limited to 18 months
- b. The number of shares that would be purchased with call options and/or sold with put options is limited to a max of 5% of TSO
- c. An experienced financial institution is responsible for the trading
- d. The company has a clean track record regarding repurchases.

L. Netherlands - Remuneration Report

Management is required to put its remuneration policy up for a binding shareholder vote. We will evaluate this item using principles of the Dutch Corporate Governance Code.

Netherlands - Protective Preference Shares: Proposals to approve protective preference shares

We vote on a CASE-BY-CASE basis. In general, we vote FOR protective preference shares (PPS) only if:

1. The supervisory board needs to approve an issuance of shares whilst the supervisory board is independent within the meaning of RMG's categorization rules and the Dutch Corporate Governance Code (i.e. a maximum of one member can be non-independent);
2. No call / put option agreement exists between the company and a foundation for the issuance of PPS;
3. The issuance authority is for a maximum of 18 months;

4. The board of the company friendly foundation is fully independent;
5. There are no priority shares or other egregious protective or entrenchment tools;
6. The company states specifically that the issue of PPS is not meant to block a takeover, but will only be used to investigate alternative bids or to negotiate a better deal;
7. The foundation buying the PPS does not have as a statutory goal to block a takeover;
8. The PPS will be outstanding for a period of maximum 6 months (an EGM must be called to determine the continued use of such shares after this period)

M. Tracking Stock

We vote on the creation of tracking stock on a CASE-BY-CASE basis, weighing the strategic value of the transaction AGAINST such factors as:

1. Adverse governance charges
2. Excessive increases in authorized capital stock
3. Unfair method of distribution
4. Diminution of voting rights
5. Adverse conversion features
6. Negative impact on stock option plans
7. Other alternatives such as spinoff

N. “Going Dark” Transactions

We vote these proposals on a CASE-BY-CASE basis, determining whether the transaction enhances shareholder value by giving consideration to:

1. Whether the company has attained benefits from being publicly traded.
2. Cash-out value
3. Balanced interests of continuing vs. cashed-out shareholders
4. Market reaction to public announcement of transaction

VIII. Executive and Director Compensation

A. General

1. Votes with respect to compensation plans are determined on a CASE-BY-CASE basis.
2. We vote AGAINST plans that contain:
 - a. Voting power dilution greater than 10%

- b. Plans that provide too much discretion to directors
- c. Plans that reflect exercise price of less than 100% of market value. (Note: For broad-based employee plans, we will accept 15% discount)
- d. Plans that allow the repricing of underwater stock options without shareholder approval
- e. Plans that lack option expensing
- f. Canada Specific:
 - i. Generally vote against an equity compensation plan proposal where:
 - The non-employee director aggregate share reserve under the plan exceeds the ISS established maximum limit of 1 percent of the outstanding common shares; or
 - The equity plan document does not specify an annual individual non-employee director grant limit with a maximum value of (i) \$100,000 worth of stock options in the case of a stock option or omnibus plan, or (ii) \$150,000 worth of shares in the case of an equity plan that does not grant stock options.

Individual Non-employee Director Grants

- ii. Generally vote against individual equity grants to non-employee directors in the following circumstances:
 - In conjunction with an equity compensation plan that is on the agenda at the shareholder meeting if voting against the underlying equity compensation plan; and
 - Outside of an equity compensation plan if the director's annual grant would exceed the above individual director limit.
- iii. Shares taken in lieu of cash fees and a one-time initial equity grant upon a director joining the board will not be included in the maximum award limit.
- g. Hong Kong and Singapore specific
 - i. Vote AGAINST a stock option scheme if directors eligible to receive options under the scheme if directors eligible to receive options under the scheme are involved in the administration of the scheme the scheme administrator has the discretion over awards; this generally excludes equity awards granted or taken in lieu of cash fees.
- h. Singapore specific:
 - i. Vote against a performance share plan or restricted share plan if:
 - The maximum dilution level for the plan exceeds ISS guidelines of 5% of issued capital for a mature company and 10% if the plan includes other positive features such as challenging performance criteria and meaningful vesting periods as these features partially offset dilution concerns by reducing the likelihood that awards will become exercisable unless there is a clear improvement in shareholder value; or
 - Directors eligible to receive options under the scheme are involved in the administration of the scheme and the administrator has the discretion over awards.
 - i. France-specific: RIM will generally vote FOR equity-based compensation proposals taking into account the following factors:
 - i. The volume of awards transferred to participants must not be excessive; the potential volume of fully diluted issued share capital from equity-based compensation plans must not exceed the following guidelines:

- The shares reserved for all share plans may not exceed 5% of a company's issued share capital, except in the case of a high-growth company or particularly well-designed plan, in which case dilution of between 5 and 10% is allowed.
- ii. The plan must be sufficiently long-term in nature/structure; minimum vesting of 3 years or more; and
- iii. The awards must be granted at market price.

B. Management Proposals Seeking Approval to Reprice Options

We vote on management proposals seeking approval to reprice options on a CASE-BY-CASE basis.

C. Director Compensation

We vote on stock-based plans for directors on a CASE-BY-CASE basis.

D. Employee Stock Purchase Plans

1. We vote on **qualified** employee stock purchase plans on a CASE-BY-CASE basis.
2. We vote on **non-qualified** employee stock purchase plans on a CASE-BY-CASE basis but will APPROVE plans considering the following criteria:
 - a. Broad-based participation (all employees excluding individuals with 5% or more of beneficial ownership)
 - b. Limits on employee contribution, either fixed dollar or percentage of salary
 - c. Company matching contribution up to 25%
 - d. No discount on the stock price on the date of purchase since there is a company matching contribution
3. Canada

RIM will generally vote FOR broadly based (preferably all employees of the company with the exclusion of individuals with 5 percent or more beneficial ownership of the company) employee stock purchase plans where the following apply:

- a. Reasonable limit on employee contribution (may be expressed as a fixed dollar amount or a percentage of base salary excluding bonus, commissions and special compensation);
- b. Employer contribution of up to 25% of employee contribution and no purchase price discount or employer contribution of more than 25% of employee contribution and SVT cost of the company's equity plans is within the allowable cap for the company;
- c. Purchase price is at least 80% of fair market value with no employer contribution;
- d. Potential dilution together with all other equity-based plans is 10% of outstanding common shares for less; and
- e. Plan Amendment Provision requires shareholder approval for amendments to:
 - i. The number of shares reserved for the plan;

- ii. The allowable purchase price discount;
- iii. The employer matching contribution amount.

Treasury-funded ESPPs, as well as market purchase funded ESPPs requesting shareholder approval, will be considered to be incentive-based compensation if the employer match is greater than 25%. RIM will vote on a CASE-BY-CASE basis taking into account the following factors:

- a. Shareholder Value Transfer (SVT) cost of the plan;
- b. Eligibility;
- c. Administration;
- d. The company's other equity-based compensation plans and benefit programs, in particular pensions.

E. OBRA-Related Compensation Proposals:

1. Amendments that Place a Cap on Annual Grants or Amend Administrative Features

We vote FOR plans that simply amend shareholder-approved plans to include administrative features or place a cap on the annual grants any one participant may receive to comply with the provisions of Section 162(m) of OBRA.

2. Amendments to Added Performance-Based Goals

- a. We vote FOR amendments to add performance goals to existing compensation plans to comply with the provisions of Section 162(m) of OBRA.
- b. We vote FOR plans that support full disclosure and linking compensation to performance goals that impact the long-term performance of the firm (e.g. compliance with environmental/EPA regulations, labor supplier standards or EEOC laws).

3. Amendments to Increase Shares and Retain Tax Deductions under OBRA

We evaluate votes on amendments to existing plans to increase shares reserved and to qualify the plan for favorable tax treatment under the provisions of Section 162(m) on a CASE-BY-CASE basis.

4. Approval of Cash or Cash-and-Stock Bonus Plans

- a. We vote on cash or cash-and-stock bonus plans to exempt the compensation from taxes under the provisions of Section 162(m) of OBRA on a CASE-BY-CASE basis.
- b. We generally vote AGAINST plans with excessive awards (\$2 million cap).

5. Independent Outsiders

We will vote AGAINST proposals if the compensation committee does not fully consist of independent outsiders, as defined in our definition of director independence.

F. Shareholder Proposals to Limit Executive and Director Pay

- 1. We generally vote FOR shareholder proposals that seek additional disclosure of executive and director pay information.
- 2. We vote AGAINST all other shareholder proposals that seek to limit executive and director pay.

G. Golden and Tin Parachutes

1. We vote FOR shareholder proposals to require golden and tin parachutes to be submitted for shareholder ratification.
2. We vote AGAINST golden parachutes.
3. Voting on a CASE-BY-CASE basis on Golden Parachute proposals, including consideration of existing change in control arrangements maintained with named executive officers rather than focusing primarily on new or extended arrangements.
 - a. Features that may result in an AGAINST recommendation include one or more of the following, depending on the number, magnitude, and/or timing of issues(s):
 - b. Single or modified single trigger cash severance;
 - c. Single trigger acceleration of unvested equity awards;
 - d. Excessive cash severance (>3x base salary and bonus);
 - e. Excise tax gross ups triggered and payable (as opposed to a provision to provide excise tax gross ups);
 - f. Excessive golden parachute payments (on an absolute basis or as percentage of transaction equity value); or
 - g. Recent amendments that incorporate any problematic features (such as those above) or recent actions (such as extraordinary equity grants) that may make packages so attractive as to influence merger agreements that may not be in the best interests of shareholders; or
 - h. The company's assertion that a proposed transaction is conditions on shareholder approval of the golden parachute advisory vote.
- 4.
5. .

H. Employee Stock Ownership Plans (ESOPs)

We vote FOR proposals that request shareholder approval in order to implement an ESOP or to increase authorized shares for existing ESOPs, except in cases when the number of shares allocated to the ESOP is "excessive" (i.e., generally greater than 5% of outstanding shares).

I. 401(k) Employee Benefit Plans

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

J. Pension Plan Income and Performance-Based Compensation

Generally we vote FOR proposals to exclude earnings on assets of company sponsored pension plans in determining executive and director compensation. Our position generally does not view the following factors as relevant: 1) the amount of pension plan earnings, and 2) the percentage, if any, such pension plan earnings contribute to the company's pre-tax earnings.

K. Indexed Options and Performance Vested Restricted Stock

We generally vote FOR indexed options and performance vested restricted stock.

L. Burn Rate

We vote AGAINST equity plans that have high average three-year burn rate defined as 1) the company's most recent three-year burn rate that exceeds one standard deviation of its GICS segmented by Russell 3000 index and non-Russell 3000 Index, OR 2) the company's most recent three-year burn rate that exceeds 2% of common shares outstanding. For companies that grant both full value awards and stock options to their employees, we shall apply a premium on full value awards for the past three fiscal years.

M. Transferable Stock Options

1. We will generally vote FOR TSO awards within a new equity plan if the total cost of the company's equity plans is less than the company's allowable cap, assuming all other conditions have been met to receive a FOR recommendation. The TSO structure must be disclosed and amendments to existing plans should make clear that only options granted post-amendment shall be transferable.
2. One-time transfers will be evaluated on a CASE-BY-CASE basis, giving consideration to the following:
 - a. Executive officers and non-employee directors should be excluded from participating.
 - b. Stock options must be purchased by third-party financial institutions at a discount to their fair value using an appropriate financial model.

There should be a two-year minimum holding period for sale proceeds (cash or stock) for all participants.

N. Supplemental Executive Retirement Plan (SERPs)

We evaluate on a CASE-BY-CASE basis Shareholder proposal to limit 'covered compensation' under their SERP plan to no more than 100% of a senior executive's salary, considering the company's current SERP plan.

O. Pay-for-Superior-Performance

We evaluate Shareholder proposals to establish a pay-for-superior-performance standard on a CASE-BY-CASE basis considering the company's current pay-for-performance practices.

P. Executive Compensation Advisory Proposal (Say on Pay)

1. RIM will vote FOR annual advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.
2. We evaluate shareholder proposals to ratify the compensation of the company's named executive officers (NEOs) on an annual basis on a CASE-BY-CASE basis considering the following global principles:
 - a. Maintain appropriate pay-for-performance alignment with emphasis on long-term shareholder value: This principle encompasses overall executive pay practices, which must be designed to attract, retain, and appropriately motivate the key employees who drive shareholder value creation over the long term. It will take into consideration, among other factors: the linkage between pay and performance; the mix between fixed and variable pay; performance goals; and equity-based plan costs;

- b. Avoid arrangements that risk “pay for failure.” This principle addresses the use and appropriateness of long or indefinite contracts, excessive severance packages, and guaranteed compensation;
 - c. Maintain an independent and effective compensation committee: This principle promotes oversight of executive pay programs by directors with appropriate skills, knowledge, experience, and a sound process for compensation decision-making (e.g., including access to independent expertise and advice when needed);
 - d. Provide shareholders with clear, comprehensive compensation disclosures: This principle underscores the importance of informative and timely disclosures that enable shareholders to evaluate executive pay practices fully and fairly;
 - e. Avoid inappropriate pay to non-executive directors: This principle recognizes the interests of shareholders in ensuring that compensation to outside directors does not compromise their independence and ability to make appropriate judgments in overseeing managers’ pay and performance. At the market level, it may incorporate a variety of generally accepted best practices.
 - f. Evaluation of performance metrics in short-term and long-term plans, as discussed and explained in the Compensation Discussion & Analysis. Consider the measures, goal, and target awards reported by the company for executives’ short and long-term incentive awards; disclosure, explanation of their alignment with the company’s business strategy, and whether goals appear to be sufficiently challenging in relation to resulting payouts;
 - g. Evaluation of peer group benchmarking used to set target pay or award opportunities. Consider the rationale stated by the company for constituents in its pay benchmarking peer group, as well as the benchmark targets it uses to set or validate executives’ pay to ascertain whether the benchmarking process is sound or may result in pay “ratcheting” due to inappropriate peer group constituents or targeting; and
 - h. Balance of performance based versus non-performance based pay. Consider the ratio of performance based (not including plain vanilla stock options) vs. non-performance based pay elements reported for the CEO latest reported fiscal year compensation especially in conjunction with concerns about other factors such as performance metrics/goals, benchmarking practices, and pay-for-performance disconnects.
3. RIM will vote AGAINST management say on pay proposals, AGAINST/WITHHOLD on compensation committee members (or, for rare cases, where the full board is deemed responsible, all directors including the CEO,) and/or AGAINST an equity-based incentive plan proposal if: :
- a. There is a misalignment between CEO pay and company;
 - b. The company maintains problematic pay practices;
 - c. The board exhibits poor communication and responsiveness to shareholders
 - Poor disclosure practices, including: insufficient disclosure to explain the pay setting process for the CEO and how CEO pay is linked to company performance and shareholder return; lack of disclosure of performance metrics and their impact on incentive payouts; no disclosure of rationale related to the use of board discretion when compensation is increased or performance criteria or metrics are changed resulting in greater amounts paid than that supported by previously established goals.
 - Board’s responsiveness to investor input and engagement on compensation issues, including:
 - Failure to respond to majority-supported shareholder proposals on executive pay topics;
 - Failure to respond to majority-opposed previous say-on-pay proposal; and

- Failure to respond to the company's previous say-on-pay proposal that received support of less than 70 percent of votes cast taking into account the ownership structure of the company.

Failure to adequately respond to the aforementioned compensation issues may also result in votes against directors due to poor responsiveness to shareholders.

Q. Pre-Arranged Trading Plans (10b5-1 Plans)

We generally vote FOR shareholder proposals calling for certain principles regarding the use of pre-arranged trading plans (10b5-1 plans) for executives. These principles include:

1. Adoption, amendment, or termination of a 10b5-1 Plan must be disclosed within two business days in a Form 8-K
2. Amendment or early termination of a 10b5-1 Plan is allowed only under extraordinary circumstances, as determined by the board
3. Ninety days must elapse between adoption or amendment of a 10b5-1 Plan and initial trading under the plan
4. Reports on Form 4 must identify transactions made pursuant to a 10b5-1 Plan. An executive may not trade in company stock outside the 10b5-1 Plan.
5. Trades under a 10b5-1 Plan must be handled by a broker who does not handle other securities transactions for the executive

R. Share Buyback Holding Periods

We will generally vote FOR market repurchase authorities (share repurchase programs) if the terms comply with the following criteria:

1. A repurchase limit of up to 10% of outstanding issued share capital (15% in UK/Ireland);
2. A holding limit of up to 10% of issued share capital in treasury; and
3. A duration of no more than 5 years, or such lower threshold as may be set by applicable law, regulation or code of governance best practice.

Authorities to repurchase shares in excess of the 10% repurchase limit will be assessed on a CASE-BY-CASE basis. We will support such share repurchase authorities under special circumstances, which are required to be publicly disclosed by the company, provided that, on balance, the proposal is in shareholder's interest. In such cases, the authority must comply with the following criteria:

4. A holding limit of up to 10% of a company's issued share capital in treasury; and
5. A duration of no more than 18 months.

In markets where it is normal practice not to provide a repurchase limit, we will evaluate the proposal based on the company's historical practice. However, RIM expects companies to disclose such limits and, in the future, may vote AGAINST companies that fail to do so. In such cases, the authority must comply with the following criteria:

6. A holding limit of up to 10% of a company's issued share capital in treasury; and
7. A duration of no more than 18 months.

In addition we vote AGAINST any proposal where:

8. The repurchase can be used for takeover defenses;
9. There is clear evidence of abuse;
10. There is no safeguard against selective buybacks; and/or
11. Pricing provisions and safeguards are deemed to be unreasonable in light of market practice.

S. Tax Gross-Up Proposals

We vote FOR shareholder 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.

T. Reimbursement of Expenses Incurred from Candidate Nomination Proposal

We evaluate Shareholder proposals to amend the company's bylaws to provide for the reimbursement of reasonable expenses incurred in connection with nominating one or more candidates in a contested election of directors to the corporation's board of directors on a CASE-BY-CASE basis considering the company's current reimbursement practices.

U. Equity Based Compensation Plans are evaluated on a case-by-case basis

We will vote AGAINST equity plan proposals if any of the following apply:

1. The total cost of the company's equity plans is unreasonable;
2. The plan expressly permits the repricing of stock options/stock appreciate rights (SARs) without prior shareholder approval;
3. The CEO is a participant in the proposed equity-based compensation plan and there is a disconnect between CEO pay and the company's performance where over 50 percent of the year-over-year increase is attributed to equity awards;
4. The company's three year burn rate exceeds the greater of 2% and the mean plus one standard deviation of its industry group;
5. The plan provides for the acceleration of vesting of 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); or
6. The plan is a vehicle for poor pay practices;
7. The company has a liberal definition of change-in-control.

V. Golden Coffin (Death Benefit)

We generally vote FOR proposals calling companies to adopt a policy of obtaining shareholder approval for any future agreements and corporate policies that could oblige the company to make payments or awards following the death of a senior executive in the form of unearned salary or bonuses, accelerated vesting or the continuation in force of unvested equity grants, perquisites and other payments or awards made in lieu of compensation. This would not apply to any benefit programs or equity plan proposals that the broad-based employee population is eligible.

W. Hold Till (post) Retirement

We vote on a CASE-BY-CASE on shareholder proposals asking companies to adopt policies requiring Named Executive Officers to retain 75% of the shares acquired through compensation plans while employed and/or for two years following the termination of their employment, and to report to shareholders regarding this policy.

The following factors will be taken into account:

1. Whether the company has any holding period, retention ratio, or officer ownership requirements in place. These should consist of:
 - a. Rigorous stock ownership guidelines, or
 - b. A holding period requirement coupled with a significant long-term ownership requirement, or
 - c. A meaningful retention ratio,
2. Actual officer stock ownership and the degree to which it meets or exceeds the proponent's suggested holding period/retention ratio or the company's own stock ownership or retention requirements.
3. Problematic pay practices, current and past, which may promote a short-term versus a long-term focus.

X. Termination of Employment Prior to Severance Payment and Eliminating Accelerated Vesting of Unvested Equity:

We will evaluate such proposals on a Case-by-Case basis.

Change-in-control payouts without loss of job or substantial diminution of job duties (single-triggered) are considered poor pay practices under policy, and may even result in withheld votes from compensation committee members. The second component of this proposal -- related to the elimination of accelerated vesting -- requires more careful consideration. The following factors will be taken into regarding this policy:

1. The company's current treatment of equity in change-of-control situations (i.e. is it double triggered, does it allow for the assumption of equity by acquiring company, the treatment of performance shares.
2. Current employment agreements, including potential poor pay practices such as gross-ups embedded in those agreements.

Y. Compensation Issue in Non-US Companies

1. Europe: Vote case-by-case on management proposals seeking ratification of a company's executive compensation-related items, and generally vote against a company's compensation-related proposal if

such proposal fails to comply with one or a combination of several of the global principles and their corresponding rules:

- a. Avoid arrangements that risk “pay for failure”:
- b. The board shall demonstrate good stewardship of investor's interests regarding executive compensation practices. For instance,
 - There shall be a clear link between the company's performance and variable awards.
 - There shall not be significant discrepancies between the company's performance and real executive payouts.
 - The level of pay for the CEO and members of executive management should not be excessive relative to peers, company performance, and market practices.
 - Significant pay increases shall be explained by a detailed and compelling disclosure.
 - Severance pay agreements must not be in excess of (i) 24 months' pay or of (ii) any more restrictive provision pursuant to local legal requirements and/or market best practices.
 - Arrangements with a company executive regarding pensions and post-mandate exercise of equity-based awards must not result in an adverse impact on shareholders' interests or be misaligned with good market practices.

2. Europe – Generally vote for proposals to fix the ratio between the fixed and variable components of remuneration unless:

- Adequate disclosure has not been provided in a timely manner
- There are concerns about the company’s motivation for change
- There are specific concerns with the company.

UK – RIM votes on a case-by-case basis on management proposals seeking ratification of a company's remuneration policy, and generally vote against if such proposal fails to comply with one or a combination of several of ISS' remuneration principles and/or local institutional investor best practice without adequate explanation. Whilst not an exhaustive list, below are several key criteria that are considered during analysis:

- Has adequate disclosure been provided to allow investors to make an informed voting decision;
- The level of pay for the CEO and other executive directors should not be excessive relative to peers, company performance, and market practices;
- Significant pay increases should be explained by a detailed and compelling disclosure;
- Severance pay agreements should not be in excess of 12 months' fixed remuneration and should be in line with best practice;
- There should be a clear link between the company's performance and variable awards;
- The ability for discretionary exceptional awards to be made in excess of the standard policy will require a maximum award level to be disclosed. Open ended exceptional award levels will not be supported;
- Executives should own a significant personal shareholding in the company and this should be supported by established share ownership guidelines by the company;
- The remuneration committee should have the ability to clawback or withhold payment of incentive awards when justified.
- NEDs generally should not receive performance based remuneration

3. Finland - Stock Options

- a. We vote AGAINST these proposals; however, an exception will be made if a company proposes to reduce the strike price by the amount of future special dividends only.

- b. We vote FOR proposals that provide proportionate adjustments to outstanding awards as a result of a special cash dividend or any other future distribution of assets other than a normal cash dividend.

4. Germany - Remuneration Disclosure

We vote AGAINST management proposals authorizing the board not to disclose remuneration schemes for five years

5. Sweden - Remuneration Report

We vote AGAINST management proposals to approve the remuneration report if:

- a. The potential dilution from equity-based compensation plans exceeds RMG guidelines.
- b. Restricted stock plans and matching share plans do not include sufficiently challenging performance criteria and vesting periods.
- c. The remuneration report was not made available to shareholders in a timely manner.
- d. Other concerns exist with respect to the disclosure or structure of the bonus or other aspects of the remuneration policy.

6. Sweden, Norway - Matching Share Plans

We will evaluate such plans on a CASE-BY-CASE basis.

- a. For every matching share plan, RMG will require a holding period.
- b. For plans without performance criteria, the shares must be purchased at market price.
- c. For broad-based plans directed at all employees, RMG accepts a 1:1 arrangement - that no more than one free share will be awarded for every share purchased at market value. . .
- d. For plans directed at executives, we require that sufficiently challenging performance criteria are attached to the plan. Higher discounts demand proportionally higher performance criteria.
- e. The dilution of the plan when combined with the dilution from any other proposed or outstanding employee stock matching plans must comply with RMG'S guidelines.

7. Australia

We will vote AGAINST resolutions seeking approval of termination payments for executives in excess of statutory maximum except where there is clear evidence that the termination payment would provide a benefit to shareholders.

We vote FOR the provision of termination benefits under the plan in excess of 12 months' base salary, if the approval is for three years or fewer and no vesting is permitted without satisfaction of sufficiently demanding performance hurdles.

8. Japan

RIM will vote AGAINST retirement bonuses if the recipients include outsiders, or include those who can be held responsible for corporate scandal or poor financial performance which has led to shareholder value destruction. (However, in rare occasions, RIM may support payment to outsiders on a case-by-case basis, if the individual amount is disclosed and the amount is not excessive.) In addition, RIM opposes the payments if neither the individual payments nor the aggregate amount of the payments is disclosed.

RIM will vote AGAINST special payments in connection with abolition of retirement bonus system if the recipients include outsiders, or include those who can be held responsible for corporate scandal or poor financial performance which has led to shareholder value destruction. (However, in rare occasions, RIM may support payment to outsiders on a CASE-BY-CASE basis, if the individual amount is disclosed and the amount is not excessive.) In addition, RIM will vote AGAINST the payments if neither the individual payments nor the aggregate amount of the payments is disclosed.

Among other conditions, RIM will vote AGAINST deep discount options if disclosed performance conditions are not attached. In the absence of such conditions, a vesting period of at least three years will be required to support such options

9. Nordic Markets

We will vote AGAINST stock option plans in Nordic markets if evidence is found that they contain provisions that may result in a disconnect between shareholder value and employee/executive rewards. This includes one or more of the following:

- a. Adjusting the strike price for future ordinary dividends AND including expected dividend yield above zero percent when determining the number of options awarded under the plan;
- b. Having significantly higher expected dividends than actual historical dividends;
- c. Favorably adjusting the terms of existing options plans without valid reason;
- d. Any other provisions or performance measures that result in undue award.

We will generally vote AGAINST if the increase in share capital is more than 5 percent for mature companies and 10 percent for growth companies.

10. Italy

We will vote FOR any equity-based compensation plan provided they meet the following:

- a. The shares reserved for all share plans may not exceed 5 percent of a company's issued share capital, except in the case of high-growth companies or particularly well-designed plans, in which case we allow dilution of between 5 and 10 percent: in this case, we will need to have performance conditions attached to the plans which should be acceptable regarding the RMG criteria (“challenging criteria”);
- b. The options for management are granted without a discount;
- c. An executive director is part of the remuneration committee; or
- d. The company has no remuneration committee and has executive members within the board.

** RIM may apply a carve-out in the case of well designed plans.**

11. Taiwan

We vote on a case-by-case basis taking into account the following features:

- a. existing substantial shareholders are restricted in participation;
- b. presence of challenging performance hurdles if restricted shares are issued for free or at a deep discount; and
- c. reasonable vesting period (at least two years) is set.

12. China

We vote CASE-BY-CASE on proposals to approve a restricted stock scheme. A restricted stock plan will not be supported if:

- a. The grant price of the restricted shares is less than 50% of the average price of the company's shares during the 20 trading days prior to the pricing reference date;
- b. The maximum dilution level for the scheme exceeds RIM guidelines of 5% of issued capital for a mature company and 10% for a growth company. RIM will support plans at mature companies with dilution levels up to 10% if the plan includes other positive features such as challenging performance criteria and meaningful vesting periods.
- c. Directors eligible to receive restricted shares under the scheme are involved in the administration of the scheme; or
- d. The company fails to set challenging performance hurdles for unlocking the restricted shares compared with its historical financial performance or the industry benchmarks.

We vote AGAINST a restricted stock scheme if the scheme is proposed in the second half of the year and the measurement of the company's financial performance starts from the same year, as the company's financial performance has been largely determined for that particular year.

We vote on a case-by-case bases on proposals to invest in financial products using idle funds.

Key factors include: any known concerns with previous investments, the amount of the proposed investment relative to the company's assets; disclosure of the nature of the products in which the company proposes to invest and disclosure of associated risks of the proposed investments and related risk management efforts by the company.

13. Japan - Director Stock Options

We vote FOR "evergreen" director option plans as long as the contemplated level of annual dilution is less than 0.5%; so that it would take more than 10 years of grants for dilution to exceed our guidelines. (Where the company has outstanding options from other plans, or proposes to grant additional options to employees below board level, these must be factored into the calculation.)

Z. Canadian Equity Compensation Plans, TSX Issuers

1. Change-in-Control Provisions

Where approval of a CIC provision is sought as part of a bundled proposal, RMG Canada may recommend a vote AGAINST the entire bundled proposal due to an unacceptable CIC provision.

2. Generally vote AGAINST proposals to reprice outstanding options including adjustments that can be reasonably considered repricing such as: reduction in exercise price or purchase price, extension of term for outstanding options, cancellation and reissuance of options, substitution of options with other awards.

3. Amendment Procedures

We generally vote AGAINST the approval of proposed Amendment Procedures that do not require shareholder approval for the following types of amendments under any security based compensation arrangement, whether or not such approval is required under current regulatory rules:

- a. Any increase in the number (or percentage in the case of rolling plans) of shares reserved;
- b. Any amendment that extends the term of an award beyond the original expiry;

- c. Amendments to eligible participants that may permit the introduction or reintroduction of non-employee directors on a discretionary basis;
- d. Any amendment which would permit equity based awards granted under the Plan may be transferable or assignable other than for normal estate settlement purposes

4. Employee Share Purchase Plans, Amendment procedures

We generally vote AGAINST proposals to approve Share Purchase Plan Amendment Procedures if discretion is given to amend any of the following acceptable criteria:

- a. Limit on employee contribution (expressed as a percentage of base salary excluding bonus, commissions and special compensation);
- b. Purchase price is at least 80 percent of fair market value with no employer contribution; OR
- c. No discount purchase price with maximum employer contribution of up to 20% of employee contribution
- d. Offering period is 27 months or less; and
- e. Potential dilution together with all other equity-based plans is ten percent of outstanding common shares or less.

If shareholder approval is sought for a new Share Purchase Plan, the above criteria must apply and not be subject to future amendment under Plan amendment provisions without further shareholder approval or we will generally vote AGAINST approval of the Plan.

IX. State of Incorporation

A. Voting on State Takeover Statutes

We review on a CASE-BY-CASE basis proposals to opt in or out of state takeover statutes (including control share acquisition statutes, control share cash-out statutes, freezeout provisions, fair price provisions, stakeholder laws, poison pill endorsements, severance pay and labor contract provisions, anti-greenmail provisions, and disgorgement provisions).

B. Voting on Reincorporation Proposals

Proposals to change a company's state of incorporation are examined on a CASE-BY-CASE basis.

1. Canada

- a. RIM will generally vote FOR proposals to amend or replace articles of incorporation or bylaws if:
 - The purpose of the amendment is to clarify ambiguity, reflect changes in corporate law, streamline years of amendments, or other “housekeeping” amendments; and
 - The bylaws as amended will not result in any of the unacceptable governance provisions set out in the following paragraph.
- b. RIM will generally vote AGAINST new by-laws or amended by-laws that would establish two different quorum levels which would result in implementing a higher quorum solely for those

shareholder meetings where common share investors seek to replace the majority of current board members. (“Enhanced Quorum”).

- c. RIM will generally vote FOR proposals to adopt or amend articles/bylaws unless the resulting document contains any of the following:
- The quorum for a meeting of shareholders is set below two persons holding 25 percent of the eligible vote (this may be reduced in the case of a small company where it clearly has difficulty achieving quorum at a higher level, but we oppose any quorum below 10 percent);
 - The quorum for a meeting of directors is less than 50 percent of the number of directors;
 - The chair of the board has a casting vote in the event of a deadlock at a meeting of directors;
 - An alternate director provision that permits a director to appoint another person to serve as an alternate director to attend board or committee meetings in place of the duly elected director; and
 - The proposed articles/bylaws raise other corporate governance concerns, such as granting blanket authority to the board with regard to capital authorizations or alteration of capital structure without shareholder approval

X. Mergers and Corporate Restructurings

A. Mergers and Acquisitions

Votes on mergers and acquisitions are considered on a CASE-BY-CASE basis, taking into account at least the following:

1. Anticipated financial and operating benefits;
2. Offer price (cost vs. premium);
3. Prospects of the combined companies;
4. How the deal was negotiated;
5. Changes in corporate governance and their impact on shareholder rights;
6. Change-in-control payments to executive officers and possible conflicts of interest; and
7. Potential legal or environmental liability risks associated with the target firm

B. Corporate Restructuring

Votes on corporate restructuring proposals, including minority squeezeouts, leveraged buyouts, spin-offs, liquidations, and asset sales are considered on a CASE-BY-CASE basis.

C. Spin-offs

Votes on spin-offs are considered on a CASE-BY-CASE basis depending on the tax and regulatory advantages, planned use of sale proceeds, market focus, and managerial incentives.

D. Asset Sales

Votes on asset sales are made on a CASE-BY-CASE basis after considering the impact on the balance sheet/working capital, value received for the asset, and potential elimination of diseconomies.

E. Liquidations

Votes on liquidations are 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.

F. Appraisal Rights

We vote FOR proposals to restore, or provide shareholders with, rights of appraisal.

G. Changing Corporate Name

We vote FOR changing the corporate name.

H. Special Purpose Acquisition Corporations (SPACs)

We will consider on a Case-by-Case the following measures for SPACs:

1. Valuation, Market reaction,
2. Deal timing,
3. Negotiations and process,
4. Conflicts of interest,
5. Voting agreements, and
6. Governance.

I. Loan Guarantee Requests (Non US companies)

Companies often provide loan guarantees for subsidiaries, affiliates and related parties. Such requests will be evaluated on a CASE-BY-CASE basis. Generally, RIM will vote AGAINST the provision when:

- The identity receiving the guarantee is not disclosed;
- The guarantee is being provided to a director, executive, parent company or affiliated entities where the company has no direct or indirect equity ownership; or
- the guarantee is provided to an entity in which the company's ownership stake is less than 75%; and such guarantee is not proportionate to the company's equity stake or other parties have not provided a counter guarantee.

RIM will generally vote FOR such request provided that there are no significant concerns regarding the entity receiving the guarantee, the relationship between the listed company and the entity receiving the guarantee, the purpose of the guarantee, or the terms of the guarantee agreement.

XI. Mutual Funds

A. Business Development Companies

RIM will vote FOR proposals authorizing the board to issue shares below Net Asset Value (NAV) if:

1. 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;
2. 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 interest of the company and its shareholders prior to selling shares below NAV; and
3. the company has demonstrated responsible past use of share issuances by either:
 - a. Outperforming peers in its 8-digit GICS group as measured by one and three year median TSRs; or
 - b. 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.

B. Multimanaged Funds/Subadvisers:

RIM will vote AGAINST proposals authorizing the board to hire or terminate subadvisers without shareholder approval if the investment adviser currently employs only one subadviser.

XII. Corporate Governance and Conduct

In general, we support shareholder proposals that promote good corporate citizenship while enhancing long-term shareholder value. Proposals that present an egregious economic impact will not be supported.

1. We SUPPORT the adoption of labor standards and codes of conduct for foreign and domestic suppliers as ways to protect brands and manage risk.
2. We SUPPORT reporting on countries with human rights abuses as ways to protect and manage risk.
3. We SUPPORT CERES Principles, environmental reporting and MacBride Principles.
4. We SUPPORT high-performance workplace standards.
5. We SUPPORT fair lending guidelines and disclosure at financial companies.
6. We SUPPORT reporting on equal opportunity and diversity.
7. We OPPOSE resolutions that would fundamentally affect company performance and competitive increase of shareholder value.
8. We OPPOSE shareholder proposals requesting the adoption of specific charter language regarding board diversity unless the company fails to publicly disclose existing equal opportunity or nondiscrimination policies.
9. We OPPOSE shareholder proposals for reports outlining potential environmental damage from drilling in the Arctic National Wildlife Refuge (ANWR) unless: a) new legislation is adopted allowing development and drilling in the ANWR; b) the company intends to pursue operations in the ANWR, c) the company does not currently disclose an environmental risk report for their operations in the ANWR.

10. We OPPOSE shareholder proposals requesting a reduction in greenhouse gas emissions unless the company significantly lags behind industry standards or has been the subject of recent, substantial controversy on this issue.
11. We OPPOSE shareholder proposals on investing in renewable energy sources.
12. We review proposals requesting information on a company's lobbying activities, including direct lobbying as well as grassroots lobbying activities on a CASE-BY-CASE basis taking into account: a) the company's current disclosure of relevant lobbying policies, and management and board oversight; b) the company's disclosure regarding trade associations or other groups that it supports, or is a member of, that engage in lobbying activities; and c) recent significant controversies, fines, or litigation regarding the company's lobbying-related activities..
13. We review on a CASE-BY-CASE basis proposals requesting a company report on its energy efficiency policies, considering: a) the current level of disclosure related to energy efficiency policies, initiatives, and performance measures; b) level of participation in voluntary efficiency programs; c) compliance with applicable legislation and regulations; d) the company's policies and initiatives relative to industry peers; and e) the cost associated with the proposed initiative.
14. We review on a CASE-BY-CASE basis proposals requesting disclosure and implementation of internet privacy and censorship policies and procedures, considering: a) the level of disclosure of policies relating to privacy, freedom of speech, internet censorship and government monitoring; b) dialogue with governments and/or relevant groups; c) scope of involvement and investment in markets that maintain government censorship or internet monitoring; d) market-specific laws or regulations applicable to this issue that may be imposed on the company; e) level of controversy or litigation related to the company's international human rights policies; and f) the cost associated with the proposed initiative.
15. We generally vote FOR proposals requesting greater disclosure of a company's (natural gas) hydraulic fracturing operations, including measures the company has taken to manage and mitigate the potential community and environmental impacts of those operations, considering: a) the company's current level of disclosure of relevant policies and oversight mechanisms; b) the company's current level of such disclosure relative to its industry peers; c) potential relevant local, state, or national regulatory developments; and d) controversies, fines, or litigation related to the company's hydraulic fracturing operations.
16. We will vote on a CASE-BY-CASE basis on proposals requesting company reports on, or to adopt a new policy on, water-related risks and concerns, taking into account: a) the company's current disclosure of relevant policies, initiatives, oversight mechanisms, and water usage metrics; b) whether or not the company's existing water-related policies and practices are consistent with relevant internationally recognized standards and national/local regulations; c) the potential financial impact or risk to the company associated with water-related concerns or issues; and d) recent, significant company controversies, fines, or litigation regarding water use by the company and its suppliers.
17. We review on a CASE-BY-CASE requests for the company to review and report on the financial and reputation risks associated with operations in "high risk" markets, such as a terrorism-sponsoring state or otherwise, taking into account: a) the nature, purpose, and scope of the operations and business involved that could be affected by social or political disruption; b)

current disclosure of applicable risk assessment(s) and risk management procedures; c) compliance with US sanctions and laws; d) consideration of other international policies, standards, and laws; e) recent involvement in significant controversies or violations in "high risk" markets; and f) the cost associated with the initiative.

18. We SUPPORT proposals requesting company reporting on its policies, initiatives/procedures and oversight mechanisms related to toxic materials, including certain product line toxicities, and/or product safety in its supply chain, UNLESS: a) the company already discloses similar information through existing reports or policies such as a Supplier Code of Conduct and/or a sustainability report; or b) the company is in compliance with all applicable regulations and guidelines; or c) there is no existence of significant violations and/or fines related to toxic materials.
19. We review on a CASE-BY-CASE requests for workplace safety reports, including reports on accident risks reduction efforts taking into account; a) a) the nature of the company's business specifically regarding company and employee exposure to health and safety risks; b) level of existing disclosure of its workplace health and safety performance data, health and safety management policies, initiatives, and oversight mechanisms; c) existence of recent, significant violations, fines, or controversy related to workplace health and safety ; and d) the company's workplace health and safety performance relative to industry peers.
20. Establishment of Board Committees on Social Issues: Shareholder proposals requesting companies establish new standing board committees on social issues.

We will generally vote AGAINST proposals requesting a company establish new standing board committees on social issues considering:

- a. Existing oversight mechanisms (including current committee structure) regarding the issue for which board oversight is sought;
 - b. Level of disclosure regarding the issue for which board oversight is sought;
 - c. Company performance related to the issue for which board oversight is sought;
 - d. Board committee structure compared to that of other companies in its industry sector; and/or
 - e. The scope and structure of the proposal.
21. Genetically Modified Ingredients (GMO):
- a. Generally vote AGAINST proposals asking suppliers, genetic research companies, restaurants and food retail companies to voluntarily label genetically engineered (GE) ingredients in their products and/or eliminate GE ingredients. The cost of labeling and/or phasing out the use of GE ingredients may not be commensurate with the benefits to shareholders and is an issue better left to regulators.
 - b. Vote CASE-BY-CASE on proposals asking for a report on the feasibility of labeling products containing GE ingredients taking into account:
 - i. The company's business and the proportion of it affected by the resolution;
 - ii. The quality of the company's disclosure on GE product labeling, related voluntary initiatives, and how this disclosure compares with industry peer disclosure; and
 - iii. Company's current disclosure on the feasibility of GE product labeling, including information on the related costs.

- c. Generally vote AGAINST proposals seeking a report on the social, health, and environmental effects of genetically modified organisms (GMOs). Studies of this sort are better undertaken by regulators and the scientific community.
 - d. Generally vote AGAINST proposals to completely phase out GE ingredients from the company's products or proposals asking for reports outlining the steps necessary to eliminate GE ingredients from the company's products. Such resolutions presuppose that there are proven health risks to GE ingredients
22. Gender Identity, Sexual Orientation and Domestic Partner Benefits
- a. We will generally vote FOR proposals seeking to amend a company's EEO statement or diversity policies to prohibit discrimination based on sexual orientation and/or gender identity, unless the change would result in excessive costs for the company.
 - b. We will generally vote AGAINST proposals to extend company benefits to or eliminating benefits from domestic partners.
23. Equality of Opportunity: shareholder proposal requesting companies disclose their EEO-1 data
- We will generally vote FOR proposals requesting the company disclose its diversity policies, initiatives, comprehensive diversity data, and EEO-1 data unless:
- a. The company publicly discloses its comprehensive equal opportunity policies and initiatives;
 - b. The company already publicly discloses comprehensive workforce diversity data; and
 - c. The company has no recent significant EEO-related violations or litigation.
24. Political contributions and Trade Associations: Shareholder proposals calling for company to confirm political nonpartisanship, increase disclosure on political contributions and trade association spending and bar political contributions.
- a. RIM will generally vote AGAINST proposals asking the company to affirm political nonpartisanship in the workplace so long as:
 - i. There are no recent, significant controversies, fines or litigation regarding the company's political contributions or trade association spending; and
 - ii. The company has procedures in place to ensure that employee contributions to company-sponsored political action committees (PACs) are strictly voluntary and prohibits coercion.
 - b. RIM will vote AGAINST proposals to publish in newspapers and public media the company's political contributions. Such publications could present significant cost to the company without providing commensurate value to shareholders.
 - c. RIM will vote on a CASE-BY-CASE basis on proposals to improve the disclosure of a company's political contributions and trade association spending considering:
 - i. Recent significant controversy or litigation related to the company's political contributions or governmental affairs; and
 - ii. The public availability of a company policy on political contributions and trade association spending including information on the types of organizations supported, the business rationale for supporting these organization, and the oversight and compliance procedure related to such expenditures of corporate assets.

- d. RIM will vote AGAINST proposals barring the company from making political contributions.
 - e. RIM will vote AGAINST proposals asking for a list of company executives, directors, consultants, legal counsels, lobbyists, or investment bankers that have prior government service and whether such service had a bearing on the business of the company.
26. Recycling: We will vote on a CASE-BY-CASE basis on proposals to report on an existing recycling program, or adopt a new recycling program, taking into account: a) the nature of the company's business; b) the current level of disclosure of the company's existing related programs; c) the timetable prescribed by the proposal and the costs and methods of program implementation; d) the ability of the company to address the issues raised in the proposal; and e) the company's recycling programs compared with the similar programs of its industry peers.
27. RIM will vote on a case-by-case basis on proposals requesting that a company conduct an assessment of the human rights risks in its operations or in its supply chain, or report on its human rights risk assessment process considering: a) the degree to which existing relevant policies and practices are disclosed, including information on the implementation of these policies and any related oversight mechanisms; b) the company's industry and whether the company or its suppliers operation in countries or areas where there is a history of human rights concerns; c) recent, significant controversies, fines, or litigation regarding human rights involving the company or its suppliers, and whether the company has taken remedial steps; and d) whether the proposal is unduly burdensome or overly prescriptive.

END