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The Ohio Police and Fire Pension Fund

Proxy Voting Policy

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Philosophy: This policy is based upon the belief that the right to vote is an investment asset. In the fulfillment of our fiduciary obligation, we will cast our votes in what we, in our professional judgment, deem to be in the best long-term interest of our plan beneficiaries. We acknowledge, however, that the board of directors of a company is generally in a better position to assess the best strategic course for the company and that indeed each board has a fiduciary obligation to do so. In fulfillment of our obligation to our plan beneficiaries, we will approach voting issues on a case-by-case basis. There are, however, a number of issues, which may be considered routine in nature or where it would appear appropriate to support management, especially with respect to social and other non-financial matters.

Administration: The Chief Investment Officer or the Senior Investment Officer – Public Markets, or their designees, and designated investment managers shall be authorized to vote on behalf of the pension plan. Those managers and/or their designees authorized to vote proxies shall be provided with a copy of this policy and any subsequent revisions; provided however, managers of international investments may be authorized by the Chief Investment Officer to vote proxies in accordance with such manager’s approved proxy voting policy, which may be inconsistent with this policy. The staff and designees will maintain records of all proxy votes cast on behalf of the plan. Staff will provide to the Investment Committee a semi-annual summary of their proxy votes cast on behalf of the plan.

I. Management-Sponsored Proposals

Routine proposals: These proposals are those which are deemed to be routine in nature and thus have no significant impact on shareholder value or on shareholders' rights. Examples for US companies would include requests such as non-controversial name changes or to amend the corporate purpose. Similar issues also appear on the agendas for non-US companies. Such proposals would be supported unless there are indications that such approval would not be in the best interests of the shareholders. For example, requests to grant a discretionary proxy to vote on “other business” would not be supported as an improper delegation of our fiduciary obligation.

International-related routine proposals: These proposals are those seen routinely on the agendas for non-U.S. companies. The majority are routine in nature, representing such formalities as opening a meeting or approving the minutes of the previous shareholder meeting. These proposals are generally supported unless there is some aspect that would have the potential to disenfranchise foreign shareholders.

Board-related proposals: These proposals concern those issues submitted to shareholders which deal with the composition of the board of directors or which have some impact on the members of a corporation's board. These proposals encompass the election of directors, changes in the size of the board, classification of the board, cumulative voting and directors' liability and indemnification provisions. Our policy is to support the routine election of directors. Individual directors will not be supported where they have failed to attend at least 75% of the board meetings without good cause, are inside or affiliated directors on boards that are not at least majority independent or who sit on the audit, compensation or nominating committee, are inside directors and the full board serves as the audit, compensation or nominating committee, are inside directors and the board does not have an audit, compensation or nominating committee or compensation committee members where there is a pay-for-performance disconnect, the nominee is a CEO of a publicly traded company who serves on more than three boards, or if the continuing classified Board member has had problematic corporate governance issues in the past.

We will review options backdating issue on a case-by-case basis and may withhold votes from the compensation committee members who oversaw questionable options grant practices or from current compensation committee members who fail to respond to the issue proactively. We may also withhold votes from compensation committee members for poor pay practices such as including provisions for the payment of excise tax gross-ups, the use of a liberal change in control definition, tax reimbursements of executive perquisites and payment of dividends on unearned performance awards. We will withhold votes from insiders and affiliated outsiders for failure to establish a formal nominating committee. We will vote withhold/against audit committee members when the company receives an Adverse Opinion on the company's financial statements from its auditors, a material weakness rises to a level of serious concern, there are chronic internal control issues, and effective control mechanisms are not established within a reasonable period of time. We may withhold votes from members of an audit committee where there is persuasive evidence that the audit committee entered into an inappropriate indemnification agreement, or disclosure of internal control requirements mandated per §404 of Sarbanes-Oxley rise to materiality. We will vote case-by-case 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. All directors, except new nominees, will not be supported if the board has implemented or renewed a "dead-hand pill", has adopted or renewed a poison pill without shareholder approval since the company's last annual meeting and does not commit to put the pill to a shareholder vote within 12 months, ignored a shareholder proposal either approved by a majority of shares outstanding or a majority of votes cast for two consecutive years or failed to act on a takeover offer where a majority of shares were tendered.

We will vote AGAINST or WITHHOLD from all nominees of the board of directors (except new nominees, who should be considered on a CASE-by-CASE basis) if:

- 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 less), 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.
- The board makes a material, adverse change to an existing poison pill without shareholder approval.

We will vote AGAINST/WITHHOLD from the entire board of directors (except new nominees, who should be considered on a CASE-BY-CASE basis), if:

- The board failed to act on a shareholder proposal that received approval by a majority of the shares outstanding the previous year; or
- The board failed to act on a shareholder proposal that received approval of the majority of shares cast in the last year and one of the two previous years.

Vote CASE-by-CASE on all nominees if the board adopts a poison pill with a term of 12 months or less (“short-term pill”) without shareholder approval, taking into account the following factors:

- 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 rationale;
- The issuer's governance structure and practices; and
- The issuer's track record of accountability to shareholders.

We will vote case-by-case on all director nominees at companies that fail to meet the performance test (using four performance measures, one market-based performance metric and three tied to the company’s operational performance) for issuers within the Russell 3000 index. We will vote withhold/against all director nominees, if there is a lack of accountability and oversight, along with sustained poor performance relative to their peers. Proxy contests or elections with dissident slates of directors will be decided on case-by-case basis.

Reasonable changes to the size of a board will be supported in the absence of a clear intent to entrench current management at shareholder expense. Division of the board of directors into classes with terms of two or more years with each class elected to staggered terms is deemed to entrench management and reduce the accountability of directors to the shareholders. Accordingly, proposals to create a classified board will not be supported. As cumulative voting can result in the election of directors who represent a special interest group, proposals to eliminate cumulative voting will generally be supported.

Proposals to add director's liability and indemnification provisions will generally be supported so long as the proposal provides that directors would retain liability and would not be indemnified should it be determined that there was willful misconduct on their part. Proposals to put in place indemnification would generally not be supported while there is pending litigation against the directors to be indemnified. Any other matters regarding the board will be decided on a case-by-case basis.

Auditor-related proposal: This proposal concerns the approval of the auditors and was considered a routine proposal until recent accounting scandals pointed to possible conflicts of interest. Our policy is to vote against auditors and audit committee members if non-audit fees are greater than audit fees, audit-related fees, and permitted tax service fees combined, or if non audit fees are excessive. We will review proposals to ratify a company's auditors on a case-by-case basis considering factors such as the terms of the auditor agreement and the degree to which these agreements impact shareholders' rights. We will vote against approving an auditor if an audit opinion is believed to be non-accurate or non-indicative of the company financial position.

Capitalization-related proposals: These proposals relate to various requests by management for approval of amendments to the articles of incorporation, which would alter the capital structure of the company. By far the most common request is for an increase in the number of authorized shares of common stock. Such requests are usually for additional shares to carry out legitimate corporate purposes and would be supported where the new total number of shares available is less than twice the currently outstanding shares. Requests to create an additional class or classes of common stock with greater or lesser voting rights than existing common stock would not be supported due to their negative impact on shareholders' rights. Requests to create tracking stock will be considered on a case-by-case basis. However, tracking stock proposals that include bundled proposals adverse to shareholder rights, or provide for the issuance of stock through an IPO rather than share dividend, will generally be opposed.

Requests for capital increases at non-US companies will generally be supported where the requested amount with preemptive rights is not greater than the amount of currently issued capital. Requests without preemptive rights would be supported where the amount requested is not more than one third of existing capital. Such requests would not be supported if the sole purpose is putting an antitakeover defense in place. Such antitakeover-related requests are generally seen in France, Belgium and the Netherlands.

Reorganization-related proposals: These proposals relate to the organizational structure of a company and concern mergers, reorganizations and re-incorporations. Changes in the state of incorporation will be supported where the new state of incorporation is the state in which the company is already headquartered or where the change in state of incorporation will provide cost savings in terms of corporate franchise or other taxes. Mergers and reorganizations, by their very nature, require a case-by-case analysis and will be supported where economically beneficial to shareholders. Reorganizations or mergers affecting Ohio-based corporations will be referred to the Proxy Administrator for review. Amendments to the certificate of incorporation of non-

US companies will generally be supported in the absence of a clear intent to create an antitakeover device or to curtail the voting rights of shareholders. For example, a request to reduce the disclosure threshold for shareholders from the statutory limit to an unreasonably low threshold, such as one quarter of one percent, would not be supported. Special Purpose Acquisition Corporations will be considered on a case-by-case basis, looking at: valuation and market reaction, deal timing, negotiations and process, conflicts of interest, voting agreements, and governance. We will support management proposals to adjourn a shareholder meeting to solicit additional proxies to approve a merger OP&F supports if the authority to adjourn is limited solely to solicit proxies to approve said merger.

Compensation-related proposals:

OP&F will evaluate executive pay and practices, as well as certain aspects of outside director compensation, on a CASE-BY-CASE basis.

OP&F will vote AGAINST management say on pay (MSOP) proposals, AGAINST/WITHHOLD on compensation committee members (or, in rare cases where the full board is deemed responsible, all directors including the CEO), and/or AGAINST an equity-based incentive plan proposal if:

- There is a misalignment between CEO pay and company performance (pay for performance);
- The company maintains problematic pay practices;
- The board exhibits poor communication and responsiveness to shareholders.

Additional CASE-BY-CASE considerations for the MSOP proposals:

- Evaluation of performance metrics in short-term and long-term plans, as discussed and explained in the Compensation Discussion & Analysis (CD&A). Consider the measures, goals, 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;
- 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 (e.g., median, 75th percentile, etc.) to ascertain whether the benchmarking process is sound or may result in pay "ratcheting" due to inappropriate peer group constituents (e.g., much larger companies) or targeting (e.g., above median); and
- 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.

OP&F 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.

In general, the MSOP ballot item is the primary focus of voting on executive pay practices. Dissatisfaction with compensation practices can be expressed by voting against MSOP rather than withholding or voting against the compensation committee. However, if there is no MSOP on the ballot, then the negative vote will apply to members of the compensation committee. In addition, in egregious cases, or if the board fails to respond to concerns raised by a prior MSOP proposal, then vote withhold or against compensation committee members (or, if the full board is deemed accountable, all directors). If the negative factors involve equity-based compensation, then vote AGAINST an equity-based plan proposal presented for shareholder approval.

Non-salary compensation-related proposals: This represents an area of increasing concern to long-term investors. While a competitive compensation package is necessary to acquire and retain key employees who have a substantive impact on the company's performance, the risk is that executives will receive substantial benefits without the appropriate increases in shareholder value. The purpose of compensation plans is to provide incentives in keeping with the expected returns. While deference will be given to the board's recommendations on compensation issues, plans that exceed guidelines will generally not be supported.

For incentive bonus plans and tax deductibility proposals, we will vote against the proposal if the compensation committee does not fully consist of independent outsiders.

For all stock-based plans, those which permit management employees or executives to acquire company shares at a price less than full fair market value will not be supported. This may not apply to employee stock purchase plans where the value of broad-based participation outweighs the value of discounted shares being acquired by executive employees. In general, any new plan, by itself, should not provide potential dilution greater than 8 percent. Total potential dilution from all company plans should not exceed 15 percent. An exception to this limit may be made for high technology companies where the need to provide competitive compensation may necessitate a higher degree of potential dilution. A plan should also not have an average three-year burn rate that exceeds one standard deviation of its industry group and exceeds 2% of common shares outstanding. However, we would support a plan that failed the burn rate test if the company publicly commits to a three-year average burn rate within one standard deviation of its industry group's mean burn rate. If the company fails to fulfill its commitment, we would consider withholding votes from all compensation committee members. We would oppose a plan that has a liberal definition of change-in-control. For specialized plans, such as restricted stock plans and director stock option plans, plan dilution should not be greater than 2 percent. This is not intended to restrict the Fund's ability to support plans that might otherwise exceed these guidelines where special

circumstances exist which make such an exception clearly in the best interests of the shareholders.

Vote CASE-BY-CASE on proposals to approve the company's golden parachute compensation, consistent with OP&F' policies on problematic pay practices related to severance packages. Features that may lead to a vote AGAINST include:

- Recently adopted or materially amended agreements that include excise tax gross-up provisions (since prior annual meeting);
- Recently adopted or materially amended agreements that include modified single triggers (since prior annual meeting);
- Single trigger payments that will happen immediately upon a change in control, including cash payment and such items as the acceleration of performance-based equity despite the failure to achieve performance measures;
- Single-trigger vesting of equity based on a definition of change in control that requires only shareholder approval of the transaction (rather than consummation);
- Potentially excessive severance payments;
- Recent amendments or other changes that may make packages so attractive as to influence merger agreements that may not be in the best interests of shareholders;
- In the case of a substantial gross-up from pre-existing/grandfathered contract: the element that triggered the gross-up (e.g., option mega-grants at low point in stock price, unusual or outsized payments in cash or equity made or negotiated prior to the merger); or
- The company's assertion that a proposed transaction is conditioned on shareholder approval of the golden parachute advisory vote. OP&F would view this as problematic from a corporate governance perspective.

In cases where the golden parachute vote is incorporated into a company's separate advisory vote on compensation (management "say on pay"), OP&F will evaluate the "say on pay" proposal in accordance with these guidelines, which may give higher weight to that component of the overall evaluation.

Non-U.S. Stock-based Plans: Option and other stock-based compensation plans for non-U.S. companies will be reviewed in light of the customary practices for such countries and would generally be voted in accordance with the guidelines noted above.

Antitakeover-related proposals: The vast majority of these proposals concern management's attempt to either add some provision which will serve to entrench existing management or which otherwise impact the rights of shareholders. As we believe that shareholder value arises from the free market in corporate ownership, we oppose those provisions that could preclude shareholders from participating in tender offers that might be opposed by current management. These proposals could include, but would not be limited to, the following:

- **Adopt supermajority vote requirement** - Generally opposed. We will vote FOR management or shareholder proposals to reduce supermajority vote requirements. However, for companies with shareholder(s) who have significant ownership levels, vote on a CASE-BY-CASE basis, taking into account:
 - Ownership structure;
 - Quorum requirements; and
 - Supermajority vote requirements

Adopt a shareholder rights plan (poison pill) - Generally opposed. However, for proposals to adopt a poison pill for the stated purpose of preserving a company's net operating losses ("NOLs"), the following factors are considered on a CASE-BY-CASE basis:

- The ownership threshold to transfer (NOL pills generally have a trigger slightly below 5%);
- The value of the NOLs;
- The term;
- Shareholder protection mechanisms (sunset provision, or commitment to cause expiration of the pill upon exhaustion or expiration of NOLs);
- 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
- Any other factors that may be applicable.
- **Adopt a fair price provision** - generally opposed
- **Eliminate the right of shareholders to call a special meeting** - generally opposed
- **Provide that directors may only be removed for cause** - generally opposed.

Written Consent: OP&F will generally vote AGAINST management and shareholder proposals to restrict or prohibit shareholders' ability to act by written consent. Generally vote FOR management and shareholder proposals that provide shareholders with the ability to act by written consent, taking into account the following factors:

- Shareholders' current right to act by written consent;
- The consent threshold;
- The inclusion of exclusionary or prohibitive language;
- Investor ownership structure; and
- Shareholder support of, and management's response to, previous shareholder proposals.

OP&F 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:

- An unfettered right for shareholders to call special meetings at a 10 percent threshold;
- A majority vote standard in uncontested director elections;

- No non-shareholder-approved pill; and
- An annually elected board.

For proposals to adopt a protective amendment for the stated purpose of protecting a company's net operating losses ("NOLs"), the following factors should be considered on a CASE-BY-CASE basis:

- The ownership threshold (NOL protective amendments generally prohibit stock ownership transfers that would result in a new 5-percent holder or increase the stock ownership percentage of an existing 5-percent holder);
- The value of the NOLs;
- Shareholder protection mechanisms (sunset provision or commitment to cause expiration of the protective amendment upon exhaustion or expiration of the NOL);
- 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
- Any other factors that may be applicable.

II. Shareholder-Sponsored Proposals

Shareholder-Routine: These proposals are those that would have no impact on shareholders rights, such as requests to change the date or location of the annual meeting. They can, however, include more substantive proposals such as requests to establish a shareholder advisory committee. Generally, proposals that could have a substantive impact on the company or its shareholders would be voted on a case-by-case basis.

Shareholder-Auditor: These proposals deal with requests that companies rotate their audit firms after a specified number of years, such as every five years. These proposals will be voted on a case-by-case basis.

Shareholder-Directors: These proposals deal with some aspect of the operation of the board of directors. Ultimately, the Fund wishes to elect the most qualified individuals to sit on the boards of companies in which we invest. We will support proposals asking that director nominees be elected by an affirmative vote of the majority of votes cast by shareholders. We will tend to support proposals that request companies to make an effort to broaden the diversity of their board membership. However, we will tend to oppose proposals that could be interpreted as requiring companies to add women and minorities to boards based on the belief that this may force them to be unable to elect the most qualified individuals for their specific circumstances. Proposals that would arbitrarily limit service on the board will generally not be supported. Proposals that would be supported are those that would require the annual election of directors, require the separation of chairman and chief executive posts (if the company has underperformed its peers and index over one and three-year periods) and require a majority of independent directors on the board.

All other proposals will be judged on a case-by-case basis.

In general, vote against shareholder proposals requesting a company establish new standing board committees on governance or social issues, considering several factors: existing oversight mechanisms; level of disclosure regarding the issue for which board oversight is sought; company performance related to the issue for which board oversight is sought; board committee structure compared to that of other companies in its industry sector; and/or the scope and structure of the proposal. We will vote CASE-BY-CASE on shareholder resolutions seeking a director nominee candidate who possesses a particular subject matter expertise, considering:

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

We may also withhold votes from compensation committee members for poor pay practices such as including provisions for the payment of excise tax gross-ups, the use of a liberal change in control definition, tax reimbursements of executive perquisites and payment of dividends on unearned performance awards.

Shareholder-Governance: These proposals generally call upon a company to improve some aspect of its corporate governance structure. Proposals that would be supported are those that call for a shareholder vote on poison pills, eliminate some other antitakeover provision or which otherwise improve the corporate governance structure of the target company. Other proposals in this area will be reviewed for their impact on corporate governance and will be decided on a case-by-case basis. A recent example are proposals to amend a 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, which will be evaluated on a case-by-case basis considering the company's current reimbursement practices. 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 so called "Golden Coffin" 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. Vote 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: Whether the company has any holding period, retention ratio, or officer ownership requirements in place.

Vote case-by-case on shareholder proposals seeking the adoption of a policy requiring any future senior executive severance agreements that provide for payments made upon change in control be double triggered and not allow for accelerated vesting of unvested equity awards. Change-in-control payouts without loss of job or substantial diminution of job duties are considered poor pay practices, and may result in withheld votes from compensation committee members. The following factors will be taken into account: 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); current employment agreements, including potential poor pay practices such as gross-ups embedded in those agreements.

Vote case-by-case on shareholder proposals seeking the adoption of a documented CEO succession planning policy considering the company's current practices and the scope of the proposal. Vote case-by-case (considering the company's current practices and the scope) on shareholder proposals seeking a policy that forbids any director who receives more than 25 percent 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.

Shareholder-Human rights: These proposals address areas of concern with respect to human rights, historically in South Africa and Northern Ireland. With the changes in South Africa, many of these proposals have been rendered moot. The need for endorsement of the MacBride Principles in Northern Ireland has been largely superseded by the Fair Employment Act (Northern Ireland). Human rights proposals will generally be voted in accordance with management's recommendation as the board is presumed to be in a better position to evaluate the impact of such proposals on the company's operations.

Shareholder-Compensation: These proposals deal with attempts by shareholders to impact a company's compensation practices. As many of these proposals would unduly restrict the company's ability to implement appropriate compensation policies, they will generally not be supported. Calls to eliminate retirement benefits for non-employee directors represent an exception as they are an attempt to ensure greater independence on the part of board members and would be supported. In addition, proposals asking the company to expense stock options will be supported unless the company has already publicly committed to expensing options by a certain date. Proposals to exclude pension fund income in the calculation of earnings used in determining executive bonuses/compensation and proposals requiring companies to report on their executive retirement benefits will be supported. Proposals to limit 'covered compensation' under a Supplemental Executive Retirement Plan (SERP) plan to no more than 100% of a senior executive's salary will be evaluated on a case-by-case basis considering the company's current SERP plan. Proposals seeking expanded executive compensation restrictions that go beyond those contained in the TARP program for companies seeking to participate in the U.S. Treasury Department's bailout program will be evaluated on a case-by-case basis.

Shareholder-Compensation, Performance-based Pay: There should be strong linkage between the company's performance and compensation at the senior executive level. Therefore, it is appropriate to evaluate these proposals based on the degree that companies are actually using performance-based awards at the executive level. In cases where a shareholder proposal requests that a significant amount of future long-term incentive compensation awarded to senior executives be performance-based, and requests that the board adopt and disclose challenging performance metrics to shareholders, a two-step process will be used in evaluating the share-holder proposal:

- First, generally vote for shareholder proposals advocating the use of performance-based equity awards--such as performance-contingent options or restricted stock, indexed options or premium-priced options--unless the proposal is overly restrictive, or if the company has demonstrated that it is using a “substantial” portion of performance-based awards for its top executives. Standard stock options and performance-accelerated awards are not to be considered performance-based awards. Further, premium-priced options should have a premium of at least 25 percent or more to be considered performance-based awards. Top executives refer to the top five most highly compensated officers. A “substantial” portion of performance-based awards would be at least 50 percent of the shares awarded to those executives for that fiscal year.
- Second, examine the rigor of the company’s performance-based equity program. If the bar set for the performance-based program is too low based on the company’s historical or peer group comparison, then generally support the shareholder proposal. Furthermore, if target performance results in an above-target payout, then also generally support the shareholder proposal due to the program’s poor design. If the company does not disclose the performance metric and hurdle rate of the performance-based equity program, vote for the shareholder proposal regardless of the outcome of the first step to the test.

In general, support the shareholder proposal if the company does not meet both of the above two criteria, and do not support proposals that are too restrictive and constitute micromanagement of the company.

Shareholder–Recoup Bonuses: Vote case-by-case on shareholder proposals to recoup unearned incentive bonuses or other incentive payments made to senior executives if it is later determined that fraud, misconduct, or negligence significantly contributed to a restatement of financial results that led to the awarding of unearned incentive compensation, taking into consideration if the company has adopted a formal recoupment bonus policy; or if the company has chronic restatement history or material financial problems.

Shareholder-Non-Salary Compensation-Related Proposals:

Share Buyback Holding Periods: Generally vote against shareholder proposals prohibiting executives from selling shares of company stock during periods in which

the company has announced that it may or will be repurchasing shares of its stock. Vote for the proposal when there is a pattern of abuse by executives exercising options or selling shares during periods of share buybacks.

Pre-Arranged Trading Plans (10b5-1 Plans): Generally vote for shareholder proposals calling for certain principles regarding the use of prearranged trading plans (10b5-1 plans) for executives. These principles include:

- Adoption, amendment, or termination of a 10b5-1 Plan must be disclosed within two business days in a Form 8-K;
- Amendment or early termination of a 10b5-1 Plan is allowed only under extraordinary circumstances, as determined by the board;
- Ninety days must elapse between adoption or amendment of a 10b5-1 Plan and initial trading under the plan;
- 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.
- Trades under a 10b5-1 Plan must be handled by a broker who does not handle other securities transactions for the executive.

Tax Gross-Up Proposals: Generally 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.

Shareholder-General economic: These proposals generally represent concern over the actions of the company in a macroeconomic environment. Calls to restrict or provide enhanced reporting on some aspect of a company's business operations will generally not be supported as representing an undue burden on the company. Those issues that may be of concern to the Fund's participants would be referred to the Proxy Administrator for review.

Shareholder-Environmental: The basic purpose of these "green" resolutions is to require the company to become more environmentally sensitive and to either adopt particular policies towards the environment or to report to the shareholders on how certain environmental concerns are being addressed by the company. Proposals to adopt the CERES Principles are not supported in part due to their potentially negative impact on the company in terms of the processing fees and the potential cost of compliance. The vast majority of these environmental proposals will be voted in accordance with management's recommendation as the board is deemed to be in a better position to evaluate a company's environmental policies and procedures than are shareholders. Such proposals may be supported where the company faces grave environmental liabilities and appears to be unresponsive to shareholder concerns. We will generally support resolutions asking a company to disclose information on the impact of climate change on the company's operations unless it already provides current, publicly-available information and the company's associated policies and procedures to address such risks;

and there are no significant fines or litigation associated with the company's environmental performance.

We will vote on proposals that call for the adoption of GHG reduction goals from products and operations on a CASE-BY-CASE basis, taking into account:

- Overly prescriptive requests for the reduction in GHG emissions by specific amounts or within a specific time frame;
- Whether company disclosure lags behind industry peers;
- Whether the company has been the subject of recent, significant violations, fines, litigation, or controversy related to GHG emissions;
- The feasibility of reduction of GHGs given the company's product line and current technology and;
- Whether the company already provides meaningful disclosure on GHG emissions from its products and operations.

All other proposals in this category will be evaluated on a case-by-case basis.

Shareholder-Energy Efficiency: Vote case-by-case on proposals requesting a company report on its energy efficiency policies, considering:

- The current level of disclosure related to energy efficiency policies, initiatives, and performance measures;
- The company's level of participation in voluntary energy efficiency programs and initiatives;
- The company's compliance with applicable legislation and/or regulations regarding energy efficiency; and
- The company's energy efficiency policies and initiatives relative to industry peers.

Shareholder-Internet Privacy and Censorship: Vote case-by-case on resolutions requesting the disclosure and implementation of Internet privacy and censorship policies and procedures considering:

- The level of disclosure of policies and procedures relating to privacy, freedom of speech, Internet censorship, and government monitoring of the Internet;
- Engagement in dialogue with governments and/or relevant groups with respect to the Internet and the free flow of information;
- The scope of business involvement and of investment in markets that maintain government censorship or monitoring of the Internet;
- The market-specific laws or regulations applicable to Internet censorship or monitoring that may be imposed on the company; and
- The level of controversy or litigation related to the company's international human rights policies and procedures.

Shareholder-Community Impact Assessments: Vote case-by-case on proposals requesting companies evaluate and report on their policies and practices within a unique

and distinct region, outlining the potential community impact of company operations in specific regions considering:

- Current disclosure of applicable risk assessment report(s) and risk management procedures;
- The impact of regulatory non-compliance, litigation, remediation, or reputational loss that may be associated with failure to manage the company's operations in question, including the management of relevant community and stakeholder relations;
- The nature, purpose, and scope of the company's operations in the specific region(s); and
- The degree to which company policies and procedures are consistent with industry norms.

Shareholder-Operations in High-Risk Markets: Vote case-by-case on shareholder requests for the company to review and report on the financial and reputation risks associated with operations in "high risk" markets. Vote for shareholder requests for the company to review and report on the financial and reputation risks associated with operations in terrorism-sponsoring states. Taking into account:

- The nature, purpose, and scope of the operations and business involved that could be affected by social or political disruption;
- Current disclosure of applicable risk assessment(s) and risk management procedures;
- Compliance with U.S. sanctions and laws;
- Consideration of other international policies, standards, and laws; and
- Recent involvement in significant controversies or violations in "high risk" markets.

Shareholder-Product Safety: Vote for shareholder requests to the company to report on its policies, initiatives/procedures, oversight mechanisms related to toxic materials, including certain product line toxicities, and/or product safety in its supply chain, unless:

- The company already discloses similar information through existing reports or policies such as a Supplier Code of Conduct and/or a sustainability report;
- The company has formally committed to the implementation of a toxic materials and/or product safety and supply chain reporting and monitoring program based on industry norms or similar standards within a specified time frame; and
- The company has not been recently involved in relevant significant controversies or violations.

Shareholder-Facility Safety Policy: Vote case-by-case on shareholder proposals requesting companies adopt policies to reduce the danger of potential catastrophic chemical releases at chemical and/or manufacturing plants; operations and/or facilities, considering:

- The company's compliance with applicable regulations and guidelines;

- The level of existing disclosure related to security and safety policies, procedures, and compliance monitoring; and
- The existence of recent, significant violations, fines, or controversy related to the safety and security of the company's operations and/or facilities.

Shareholder-Corporate Responsibility: Generally vote against shareholder proposals asking suppliers, genetic research and food retail companies and restaurants to voluntarily label genetically engineered (GE) ingredients in their products and/or eliminate GE ingredients. Generally vote for proposals 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. Generally vote against proposals to extend company benefits to or to eliminate benefits from domestic partners. Generally vote for proposals requesting the company disclose its diversity policies, initiatives, comprehensive diversity data, and EEO-1 data unless: the company publicly discloses its comprehensive equal opportunity policies and initiatives; the company already publicly discloses comprehensive workforce diversity data; and the company has no recent significant EEO-related violations or litigation.

Shareholder - Political Contributions and Trade Associations:

OP&F will generally vote AGAINST proposals asking the company to affirm political nonpartisanship in the workplace so long as:

- There are no recent, significant controversies, fines or litigation regarding the company's political contributions or trade association spending; and
- The company has procedures in place to ensure that employee contributions to company-sponsored political action committees (PACs) are strictly voluntary and prohibits coercion.

OP&F 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.

OP&F 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:

- Recent significant controversy or litigation related to the company's political contributions or governmental affairs; and
- 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 organizations, and the oversight and compliance procedures related to such expenditures of corporate assets.

OP&F will vote AGAINST proposals barring the company from making political contributions. Businesses are affected by legislation at the federal, state, and local level and barring political contributions can put the company at a competitive disadvantage.

OP&F will vote FOR 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.

Shareholder-Miscellaneous: These proposals cover such areas as charitable contributions. The vast majority of these proposals espouse a social rather than an economic cause. Adoption of many of these proposals would not appear to be in the best economic interest of the shareholders. However, given the diverse and rather vague nature of this category, many of these proposals, including proposals requesting information on a company's lobbying initiatives, will be decided on a case-by-case basis.

III. Miscellaneous:

Policy on Issues Not Addressed in Client Proxy Voting Guidelines

Designee will refer to client for further instruction on how to vote items that are not addressed in the OP&F Proxy Voting Policy regarding U.S. and non-U.S. companies.

Appendix A

Decision Matrix for Stock-Based Compensation Plans

<u>Decision Criteria - Executive Plans</u>	<u>Condition</u>	<u>Vote</u>	<u>Condition</u>	<u>Vote</u>	<u>Condition</u>	<u>Vote</u>
Stock Option Plans						
1) Potential Dilution (plan under review)					> 8%	Against
2) Potential dilution (all plans)	<5 %	For	>5% <15%	a	> 15%	Against*
3) Exercise price of options	>= 100 %	For			< 100 %	Against
4) Plan specifically allows option re-pricing	No	For			Yes	Against
Restricted Stock Plans						
1) Potential dilution (plan under review)	< 2%	For			>2%	Against
2) Potential dilution (all plans)	<15 %	For			> 15%	Against
3) Performance criteria	Yes	For			No	Against
4) Plan imposes minimum vesting period	Yes	For			No	Against

a) If the combined dilution from the current plan and existing plans is less than 15 percent and there are no other negative factors, vote for the proposal.

* For high technology companies, this limit may be exceeded with the consent of the Proxy Administrator.

Appendix A

<u>Decision Criteria - Director Plans</u>	<u>Condition</u>	<u>Vote</u>	<u>Condition</u>	<u>Vote</u>	<u>Condition</u>	<u>Vote</u>
Stock Option Plans						
1) Potential dilution (plan under review)	<=2%	For			>2%	Against
1) Potential dilution (all plans)	<10 %	For			> 10%	Against
2) Exercise price of options	>= 100 %	For			< 100 %	Against
3) Plan specifically allows option re-pricing	No	For			Yes	Against
Restricted Stock Plans						
1) Potential dilution (plan under review)	< 2%	For			>2%	Against
2) Potential dilution (all plans)	<15 %	For			> 10%	Against
3) Performance criteria	Yes	For			No	Against
4) Plan imposes minimum vesting period	Yes	For			No	Against

a) If the combined dilution from the current plan and existing plans is less than 10 percent and there are no other negative factors, vote for the proposal.

Dilution calculation: $A + B + C / A + B + C + D$

(A) = Shares reserved; (B) = Shares available all other plans; (C) = Awards granted but not yet exercised; and (D) = Record date shares outstanding.

N.B. The above matrix represents general policy guidelines. Unique circumstances at some firms may call for relaxation of some of the above guidelines where appropriate