

# DSM CAPITAL PARTNERS LLC

## PROXY VOTING POLICY

It is DSM's policy that all proxies are to be voted solely in the best interests of the beneficial owners of the securities. DSM's proxy voting policy may be amended from time to time.

DSM has contracted with an independent third party (currently, MSCI Inc.) (the "Third Party Administrator") to provide issue analysis and vote recommendations with respect to proxy proposals. The Third Party Administrator offers a U.S. policy, an International policy, a Canadian policy as well as specialty policies such as a Socially Responsible policy, a Faith-Based policy, a Taft-Hartley policy and a Public Fund policy, along with custom policies defined by its clients. DSM utilizes the U.S. Policy and the International Policy. A copy of all policies can be found at [www.issgovernance.com](http://www.issgovernance.com).

Each year, the Third Party Administrator undertakes a process to update the policies that inform its proxy voting recommendations. Typically, the Third Party Administrator has a policy formulation process that collects feedback from a diverse range of market participants through multiple channels: an annual Policy Survey of institutional investors and corporate issuers, roundtables with industry groups, and ongoing feedback during proxy season. The Third Party Administrator uses this input to develop draft policy updates on important governance issues, which are then published for open review and comment. This information is also available at [www.issgovernance.com](http://www.issgovernance.com). Updates and revisions by the Third Party Administrator are reviewed by DSM to determine whether they are consistent with its principals.

Because the Third Party Administrator conducts issue analysis and makes vote recommendations based on its independent, objective analysis, the proxy voting process is designed to cast votes in the best interests of DSM's clients.

While it is DSM's policy to follow the vote recommendations of the Third Party Administrator, DSM retains the authority to vote differently than the recommendation on any proxy proposal. Below is a sample of DSM's position on certain corporate issues. This sample is designed to give a general view of how DSM could vote a proxy in such a situation. However, this action is subject to an internal approval process, which includes a determination that the proxy decision is not influenced by any conflicts of interest. In instances in which the Third Party Administrator is unable to make a vote recommendation, DSM's Proxy Voting Committee will, based on such advice as it deems necessary, determine the manner in which to vote such proxy.

DSM, as a matter of policy, votes proxies: for pooled investment vehicles that it manages; for ERISA accounts that require the investment manager to vote proxies, and as an accommodation to clients who ask DSM to vote their proxies. Clients may wish to vote their own proxies. DSM's standard non-ERISA agreement includes a statement that DSM does not generally vote proxies for clients. Further, DSM does not vote proxies for unsupervised securities, or for proxies associated with securities that were transferred to DSM but subsequently sold because the securities were not in DSM's model portfolio at that time. DSM also reserves the right to not accept a potential client account if DSM believes that a custom proxy policy is too undefined or too complex to implement.

DSM does not normally invest in stock mutual funds in the separate accounts of its clients and therefore does not generally take any action on these proposals.

DSM does not engage in any investment banking or corporate finance activities, nor does DSM produce research for publication. However, DSM personnel may have interests in securities, instruments, and companies that may be purchased or sold by DSM for its clients' accounts.

The interests of DSM and/or its personnel may conflict with the interests of DSM clients in connection with any proxy issue. In addition, DSM may not be able to identify all of the conflicts of interest relating to any proxy matter.

If a potential conflict does arise, it is to be brought to the attention of the CCO to be resolved.

### PROXY VOTING COMMITTEE

DSM has a Proxy Voting Committee (the "Committee") comprised of Stephen Memishian, Daniel Strickberger, Christopher Bertoni and Russell S. Katz. The Committee is to administer DSM's proxy voting policy. The Committee will meet as necessary to discuss proxy issues. In addition, on an annual basis, the Committee will review the proxy voting policy of the Third Party Administrator.

### PROCEDURES

The Proxy Voting Committee will administer the voting of all client proxies. DSM has engaged the Third Party Administrator to assist in issue analysis and the voting of client proxies. Such entity will coordinate with each client's custodian to help ensure that proxy materials reviewed by the custodians are processed in a timely fashion.

An analysis of proxy issues and vote recommendations will be provided, or be made available, to DSM, by the Third Party Administrator. The Proxy Voting Committee will notify the Third Party Administrator of any changes to the DSM policy voting policy or any deviations thereof.

DSM is required to maintain in an easily accessible place for five years all records relating to proxy voting. These records include the following:

- a copy of the proxy voting policy;
- a copy of each proxy statement received on behalf of DSM's clients;
- a record of each vote cast on behalf of DSM's clients;
- a copy of all documents created by DSM's personnel that were material to making a decision on a vote or that memorializes the basis for the decision; and
- a copy of each written request by a client for information on how DSM voted proxies, as well as a copy of any written response.

DSM reserves the right to maintain certain proxy records with the Third Party Administrator or any other entity in accordance with all applicable regulations.

Any client may obtain information about how DSM voted its security ballots (but not the security ballots of any other client) and/or a copy of DSM's proxy voting policy, without cost, by calling 914-242-1900

or by writing to DSM at 116 Radio Circle Drive, Suite 200, Mount Kisco, New York 10549, Attn: Legal and Compliance.

As noted above, while it is DSM's policy to follow the vote recommendations of the Third Party Administrator, DSM retains the authority to vote differently than the recommendation on any proxy proposal. The following are a sample of DSM's position on certain corporate issues.

Operational Items – DSM generally supports policies that strengthen shareholders' rights with regard to: annual and special shareholder meetings, ratification of auditors (unless auditor has a financial interest, has rendered an inaccurate opinion, has poor accounting practices, or if fees for non-audit services are excessive), maintaining shareholders' ability to vote on transactions, compensation or other general corporate issues that may arise.

DSM will generally vote against proposals where wording is deemed to be too vague or if the proposal encompasses "other business."

Board of Directors – DSM normally supports policies that allow for strong corporate governance, including a majority of independent directors and key committees that are chaired by independent directors. Declassified boards are generally supported and cumulative voting of stock is generally opposed. DSM also normally supports liability protections for directors but not protection for gross negligence, willful misconduct or fraud. DSM prefers stock ownership by boards, but does not require it.

DSM will typically vote on director nominees on a case-by-case basis, withholding or voting against a nominee for attending less than 75% of meetings, sitting on more than six public company boards, or serving as CEOs of public companies while sitting on boards of more than two public companies besides their own. DSM also generally votes against directors who lack accountability and oversight coupled with sustained poor performance.

Proxy Contests – In contested elections, the following is commonly taken into account by DSM: the target company's long-term financial performance relative to its industry, management's track record, background to the proxy contest, qualifications of director nominees (both slates), stock ownership positions, evaluation of what each side is offering shareholders, and the likelihood that the proposed objectives and goals can be met. DSM generally supports confidential voting.

Anti-Takeover Defenses and Voting Related Issues – DSM largely votes on a case-by-case basis on "advance notice" proposals, giving support to those proposals which allow shareholders to submit proposals/nominations as close to the meeting date as reasonably possible. DSM's policy is to generally oppose proposals that weaken shareholders' rights in the event of proposed mergers and acquisitions. DSM commonly supports shareholder proposals requesting that the company submit its poison pill to a shareholder vote or redeem it unless the company has a shareholder approved poison pill in place or the company has a policy in place concerning the adoption of a poison pill in the future specifying that it will only be adopted if shareholders have approved the plan or the board determines that it is in the best interest of shareholders and it is put to a shareholder vote within 12 months of adoption. DSM generally opposes giving the board of directors' exclusive authority to amend the bylaws, and supports proposals to allow or make easier shareholder actions by written consent. DSM also generally opposes proposals that require a supermajority vote and votes for proposals to lower supermajority vote requirements. In general, DSM supports proposals for shareholders to call special meetings and supports proposals that remove restrictions on the right for shareholders to act independently of management.

Mergers and Corporate Restructuring – For mergers, acquisitions, divestitures, joint ventures, private placements, spin-offs, DSM evaluates the merits and drawbacks of the proposed transaction, taking into consideration at least the following factors:

- Valuation – is the value to be received (or paid) reasonable. Emphasis is placed on the offer premium, market reaction and strategic rationale;
- Market Reaction – how has the market reacted to the proposed deal;
- Strategic Rationale – does the deal make sense strategically? Cost and revenue synergies should be reasonably achievable. Management needs to have a favorable track record of successful integration of historical acquisitions;
- Negotiations and process — is the process fair and equitable;
- Conflicts of interest – will insiders benefit from the transaction disproportionately and inappropriately vs. non-insider shareholders. Could these interests have influenced certain directors or officers to support or recommend the merger;
- Governance – will the combined company have better or worse governance than the current governance profiles of the respective parties to the transaction;
- Dilution to existing shareholders;
- Control issues, and
- Other financial issues.

State of Incorporation – DSM largely votes against proposals to amend the charter to include control share acquisition provisions. DSM generally votes for proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments. Reincorporation proposals are commonly supported that are based on sound business reasons and do not infringe upon or weaken shareholders' rights. DSM generally votes against proposals that ask the board to consider non-shareholder constituencies when evaluating a merger or business combination. DSM votes on a case-by-case basis on proposals to "opt in" or "opt out" of state takeover statutes.

Capital Structure – Proposals to change capital structure are evaluated for their impact and ability to strengthen shareholder rights. DSM commonly opposes: creating new classes of stock with different voting rights; increasing authorized common stock for the explicit purpose of implementing a shareholder rights plan (poison pill), and increases in common stock that allow for excessive granting of options. Proposals authorizing new classes of stock with unspecified voting, conversion, dividend distribution, and other rights are normally opposed. Proposals that give the board exclusive authority to amend the bylaws are largely opposed and proposals that give the board, as well as shareholders, the ability to amend the bylaws are generally supported.

Executive and Director Compensation – As a general rule, DSM supports executive and director compensation policies that appropriately align management incentives with creating long-term shareholder value. The salaries, annual bonuses and option/restricted stock programs are considered together in determining the reasonableness of compensation packages. DSM also normally supports salaries that are consistent with industry standards, and annual bonuses that require management to achieve key business metrics that are definable, measurable, and are components to increasing

shareholder value through sound business policies. DSM generally supports stock compensation programs that limit the dilution to public shareholders while providing incentive to management and directors to increase shareholder value. DSM commonly votes against equity plans if cost is unreasonable. DSM will generally oppose restricted stock programs that do not require management to achieve key business metrics that are definable, measurable, and are components to increasing shareholder value through sound business policies. DSM usually opposes accelerated vesting of stock options or restricted stock that would result from short-term stock price fluctuations, as well as re-pricing of stock options/stock appreciation rights with prior shareholder approval. Retirement and health care plans for non-employee directors are generally opposed, and DSM usually supports employee stock ownership plans (ESOPs) and 401(k) savings plans for employees. DSM also generally supports proposals requiring that golden parachutes or executive severance agreements be submitted for shareholder ratification, unless the proposal requires shareholder approval prior to entering into employment contracts.

Corporate Social Responsibility Issues – When evaluating social and environmental shareholder proposals, DSM generally considers the following:

- Whether adoption of the proposal is likely to enhance or protect shareholder value;
- Whether the information requested concerns business issues that relate to a meaningful percentage of the company's business as measured by sales, assets, and earnings;
- The degree to which the company's stated position on the issues raised in the proposal could affect its reputation or sales, or leave it vulnerable to a boycott or selective purchasing;
- Whether the issues presented are more appropriately/effectively dealt with through governmental vs. company – specific action;
- Whether the company has already responded in some appropriate manner to the request embodied in the proposal;
- Whether the company's analysis and voting recommendation to shareholders are professional and persuasive;
- What other companies have done in response to the issue addressed in the proposal;
- Whether the proposal itself is well-framed and the cost of preparing the report is reasonable;
- Whether implementation of the proposal's request is likely to achieve the proposal's objectives;
- Whether the subject of the proposal is best left to the discretion of the board;
- Whether the requested information is available to shareholders either from the company directly or from a public source, and
- Whether providing this information would reveal proprietary or confidential information that would place the company at a competitive disadvantage.