CORPORATE GOVERNANCE AND PROXY VOTING POLICY

OCTOBER 2015

GUIDING PRINCIPLES

The Guiding Principles create the framework by which Portico Benefit Services executes its proxy voting responsibilities and other governance related activities that advance fiduciary responsibilities in the context of shareholder rights (e.g. responding to SEC requests for comment). Staff of Portico Benefit Services implements its corporate governance policy solely in the best interests of plan participants and beneficiaries. Staff will implement this policy in a manner that is consistent with the Guiding Principles stated below unless an action will adversely impact the shareholder value of the company. In cases where a determination of the impact on shareholder value is not possible (e.g. insufficient information), a vote determination is not feasible (e.g. requires unjustifiable resources), or situations where an Against/Withhold vote is not an option (e.g. foreign plurality voting), an Abstain vote is acceptable.

Guiding Principles
Promote enhancement of the company's long-term performance and returns to shareholders, protect shareholder rights, and ensure management and director accountability
Consider social, environmental, and governance issues in the context of financial sustainability
Companies and directors should be accountable to shareholders, and management should be accountable to directors

ISSUE-SPECIFIC CRITERIA

The criteria used to guide specific proxy votes and governance activities on issues are laid out in this section. Issues tend to evolve over time, but at a basic level, voting decisions can be guided by basic tenets of sound governance standards that are designed to provide appropriate incentives to both management and the board of directors in order to minimize agency issues and enhance shareholder value.

A. Management Proposals & Shareholder Governance Proposals

1. Board of Directors

Independence is an essential characteristic for a board of directors that is charged with selecting and monitoring a corporation's management team, instilling accountability, and representing the long-term interests of shareholders. Individuals affiliated with the corporation may not be able to exercise independent judgment in monitoring management. To assure that such independence prevails, representation on the Board by directors with affiliations to the company should be limited. Therefore, the implementation guidelines include the following criteria to guide voting and other advocacy efforts:

Board Composition and Structure

- A majority of the board members should be independent.
- Leadership of the board should be independent.
- All members of key committees (Audit, Compensation, and Nominating/Governance) of the board should be independent.
- The board should be large enough to provide expertise and diversity, but small enough to encourage active participation by all.
- The entire board should be accountable to shareholders on an annual basis. In practice this means declassified board structures are preferred.

Performance Evaluation of Board Members

- Companies should have a majority vote standard for election of Board members. The standard should be set forth in the company's charter or bylaws, subject to amendment by a majority vote of shareholders. Every shareowner should have the right to vote for, against, or abstain from voting with respect to each director.
- Board members should attend a meaningfully high percentage of meetings.
- A Committee's past actions on specific issues that were contrary to the best interests of shareholders may cause an "against" vote for specific committee members involved in those actions.

2. Governance of Meetings of the Company

A proxy card that is properly executed and delivered before an annual meeting provides the party named on the card with a limited "power of attorney" to act on behalf of the owner of the shares. This grant of authority allows the owner to vote on the matters presented on the ballot (in the manner indicated on the proxy card). The proxy discloses important information about issues to be discussed at an annual meeting, lists the qualifications of management and board members, serves as a ballot for elections of the board of directors, lists the largest shareholders of a company's stock and provides detailed information about executive compensation.

- Shareholders deserve the opportunity to consider all specific voting items that come up for a vote at a meeting; therefore proposals to allow the approval of other business that has been omitted from the proxy card will not be supported.
- A company occasionally requests approval to adjourn the meeting in order to solicit additional votes on a particular issue. If the proposal does not receive adequate support by the time of the meeting, the adjournment will not be supported.
- Shareholders should have access to procedures such as written consent that allows shareholders to bring special circumstances to the attention of other owners without calling a special meeting or waiting until the annual meeting.
- A company should not have excessive vote requirements that will potentially make the approval of a proposed action all but impossible.

3. Capital Structure

Adequate capital is important to the operation of a company. Having adequate shares to allow management to make timely decisions and effectively operate the business is critical. For significant transactions, shareholders should require management to justify its use of additional shares rather than providing a "blank check" in the form of a large pool of unallocated shares available for any purpose. The primary concern when a company seeks additional shares of stock is the impact to shareholder value. Issuing additional shares can dilute existing shareholders in certain circumstances.

In order to vote for changes to the equity capital structure the following should apply:

- Management must provide a detailed plan for use of proposed shares.
- Management should not request an excessive amount of shares beyond those needed to accomplish its goals.
- The primary purpose to increase authorized common stock should not be to defend the company from hostile takeovers.
- Requests for issuance of capital should not include classes with superior voting rights and will be evaluated based on the planned purpose, dilutive impact to shareholders, and any potential impact on a company's voting power.
- Shareholders shouldn't be subject to excessive dilution.
- Different classes of stock should not have superior voting rights used to entrench the board of directors and management of a corporation.

4. Compensation & Benefits

Compensation and benefits programs are one of the most powerful tools available to companies to attract, retain and incentivize directors, executives and other employees to align their interests with the long-term interests of shareholders. Executive compensation programs should be designed and implemented through an independent compensation committee, and the disclosure of programs should be clear and comprehensive.

The compensation committee should ensure compensation is appropriately structured to align the interests of directors, executives and other employees with the long-term interests of shareholders. The compensation committee is best suited to making compensation decisions given its generally high level of experience making these decisions, and its access to both a greater breadth and depth of company, industry, and expert information than is available to the typical shareowner. Therefore, the election of directors, specifically those who are on the compensation committee, is an appropriate mechanism for shareholders to express their disapproval or support of the board regarding compensation policies and implementation. In general, those who are accountable for oversight of management should hold their position only to the extent they are adequately performing their duties.

However, increasingly shareholders are being called upon to weigh in directly on compensation related issues. To help assure the desired characteristics of compensation and benefits programs as described previously are supported and promoted through corporate governance activities, Staff believes the following principles should be upheld in implementation activities with companies.

- Executive compensation should be linked to relevant measures of performance over appropriate timeframe(s) (e.g. a pay-for-performance philosophy should be articulated and transparently adhered to). Creating a link between compensation and fundamental performance will serve to better align the interests of management with the long-term interests of shareholders.
- Director fees should not be excessive relative to peers and/or threaten to compromise the objectivity and independence of directors.
- Incentive plans should be evaluated based on the true cost relative to the financial performance of the business and the enterprise's overall value.
- Broad-based employee stock ownership plans are in the best interests of shareholders as they align employee and shareholder interests.
- Severance arrangements should not adversely affect an executive's alignment of interest with the long-term interests of shareholders or an executive's incentive to enhance shareholder value. The disclosure of these arrangements should be clear and comprehensive.

B. Shareholder Proposals: Social and Environmental Issues

Action on shareholder resolutions must be consistent with ELCA social statements (as articulated through ELCA Social Issue Papers), and fiduciary responsibilities of Portico Benefit Services. In February of 2007 the Corporate Social Responsibility Committee “CSRC” approved a Shareholder Resolution Filing Policy. The Shareholder Resolution Filing Policy articulates both the types of resolutions that can be supported for filing and direction for voting resolutions during the proxy voting season.