

Proxy-Voting Guidelines

MIP has formulated proxy-voting guidelines to guide its proxy voting on a wide range of corporate governance and social responsibility issues.

As a stockholder, the underlying Client is entitled to participate in corporate annual meetings by casting its votes by proxy or through direct attendance at the meetings. All proxy votes are to be cast with consideration to the documents, instruments and statutes governing the plan. Preservation of portfolio investments must always take precedence over these guidelines. The following guidelines constitute an effort by MIP to manage and control its proxy voting process.

Voting Process

MIP has formulated guidelines by which votes are to be cast on a wide range of corporate governance and social responsibility issues. MIP will review each new or precedent-setting issue as it arises and classify the issue as one on which it will vote for or against in the future or one that requires case by case review.

MIP will, upon request, send each Client information on how proxies were voted. This information should include:

- a) What was voted for or against
- b) Was the vote for or against management
- c) Number of shares voted
- d) The date of the annual meeting
- e) The category of the proposal (routine, social, etc.)
- f) When a vote was cast against MIP's guidelines and why

Corporate Governance Issues

Routine Matters

In general, MIP supports routine matters of corporate governance that do not significantly alter the structure, control or operation of a corporation. These issues may include, but are not limited to:

- Uncontested election of directors
- Selection of auditors
- Management proposals on compensation issues including savings plans and stock option (see Special Cases below for exceptions)
- Limits on director and officer liability or increases in director and officer indemnification

MIP supports board structures where:

- A majority of board members are independent;
- The Chief Executive Officer does not serve as Chairman of the Board;
- Chief Executive Officers do not sit on each other's boards; and
- Committees (audit, finance, nominating, compensation and corporate responsibility) are composed exclusively of outside independent directors.

Shareholders Rights

In general, MIP opposes proposals that would restrict shareholder ability to effect change. Such proposals include but are not limited to:

- Instituting supermajority requirements to ratify certain actions or events
- Creating classified boards
- Barring shareholders from participating in the determination of the rules governing the board's actions such as quorum requirements and the duties of directors
- Prohibiting or limiting shareholder action by written consent
- Granting certain stockholders superior voting rights over other stockholders

In general, MIP supports proposals that preserve shareholder rights to effect change. Such proposals may include:

- Requiring shareholder approval of poison pill plans
- Repealing classified boards
- Adopting secret ballot of proxy votes
- Reinstating cumulative voting
- Adopting anti-greenmail provisions

Buyouts

In general, MIP supports friendly takeovers and management buyouts.

Special Cases

MIP evaluates the following proposals on a case by case basis:

- Hostile takeovers
- Contested election of directors
- Compensation agreements that are contingent upon corporate change in control
- Compensation and/or retirement agreements that are non-standard, excessive, and exclusively available to senior management
- Re-capitalization plans

Social Responsibility Issues

Social issues are those that deal with activities of social conscience (such as labour practices, nuclear power, animal testing and environmental practices).

MIP supports a variety of proposals regarding social responsibility including those that:

- Promote non-segregation of the races
- Promote equal and fair employment practices for all employees

- Require companies to submit reports to shareholders concerning their labour practices or their sub-contractors' labour practices in other countries
- Apply economic pressures on governments who do not comply with above
- Require a company to report or disclose to shareholders company efforts concerning a variety of social responsibility issues such as affirmative action programs, animal testing procedures, nuclear plant safety procedures, and criteria used to evaluate military contract proposals

MIP opposes proposals that:

- Move corporate headquarters or income tax standing to offshore locations

Environmental Protection / Awareness

In general, MIP supports environmental action that enhances the long-term efficiency of the company.