

Steinberg Asset Management, LLC
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Policy

It is the policy of SAM to vote proxies in the interest of maximizing value for its clients. Proxies are an asset of a client, which should be treated by SAM with the same care, diligence, and loyalty as any asset belonging to a client. To that end, SAM will vote in a way that it believes, consistent with its fiduciary duty, will cause the value of the issue to increase the most or decline the least. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote.

Any general or specific proxy voting guidelines provided by an advisory client or its designated agent in writing will supersede this policy. Clients may wish to have their proxies voted by an independent third party or other named fiduciary or agent, at the client's cost.

Proxy Committee

Proxy voting is overseen by the SAM Proxy Committee. The Proxy Committee is composed of senior investment, operations and client service professionals. The Committee is responsible for setting general policy as to the voting of proxies and the maintenance and administration of this Policy. Specifically, the Committee:

1. Reviews this Policy and associated Proxy Voting Guidelines annually and approves, from time to time, any amendments which it considers to be advisable and consistent with the Policy's overall mandate of serving the best economic interests of those SAM advisory clients for which the firm has proxy voting authority.
2. Considers special proxy issues as may arise from time to time, including voting proxies:
 - for which the Proxy Voting Guidelines do not provide clear and definitive guidance; and/or
 - where an exception to the established Guidelines may be in the best interests of SAM clients.

Proxy Voting Administration

Finance and Compliance administers this Policy on a continuous basis through a Proxy Team that reports to the CCO. The Proxy Team has the following duties:

1. Continuously maintain the Proxy Voting Guidelines and make recommendations, as necessary, to the Proxy Committee regarding their amendment.
2. Monitor upcoming shareholder meetings and solicitations of proxies for such meetings.
3. Routine voting of proxies in accordance with this Policy and SAM's Proxy Voting Guidelines.
4. Coordinate the Proxy Committee's review of any new or unusual proxy issues.

5. Oversee the proxy voting services provided by RiskMetrics Group ("RMG").
6. Insure that any information that is key to making a proxy voting decision is entered into the "Notes" section of the RMG system.
7. Coordinate responses to SAM investment professionals' questions, if any, regarding proxy issues and this Policy, including forwarding specialized proxy research received from the proxy service provider.
8. Establish and preserve (or ensure that SAM's proxy service provider, RMG, does so) all required records as to proxy voting.
9. Ensure that clients that so request are timely furnished copies of this Policy.
10. Establish and maintain the means by which reports of proxy voting on behalf of SAM-advised accounts are timely and confidentially made available to clients of the firm that request to receive these for their accounts.

Proxy Voting Guidelines

SAM policy is to vote proxies, subject to the foregoing overall best economic interest standard, in accordance with written Proxy Voting Guidelines ("Guidelines"), as established by the Proxy Committee. A copy of the Guidelines is attached and incorporated within this Policy as Attachment A. As an aid rather than a substitute for applying the Guidelines, SAM also regularly considers the analysis and recommendations of RMG. In the event that SAM does not vote in the direction of management's recommendation, it will generally complete the "Notes" section of RMG to explain its rationale for the vote.

Loaned Securities

Many SAM clients have entered into securities lending arrangements with agent lenders to generate additional revenue. SAM will not be able to vote securities that are on loan under these types of arrangements. However, under rare circumstances, for voting issues that may have a significant impact on the investment, SAM may request that clients recall securities that are on loan if we determine that the benefit of voting outweighs the costs and lost revenue to the client or fund and the administrative burden of retrieving the securities.

Non-U.S. Share Voting – Share Blocking

Proxies of certain foreign companies listed on foreign exchanges impose share blocking restrictions around company meetings whereby shareholders must deposit their shares before the date of the meeting with a designated depository. During the blocking period, shares held at the depository cannot be sold until the meeting has taken place and the shares returned. Because of this liquidity constraint, Steinberg generally will not vote meetings that involve share blocking. Steinberg believes that the benefit to the client of exercising the vote does not outweigh the cost of voting (i.e. not being able to sell the shares during the blocking period). Steinberg evaluates on a case by case basis whether there is a compelling reason to vote shares even with share blocking in effect.

Non-U.S. Share Voting – Administrative Issues

In addition, voting proxies of issuers in non-US markets – as well as occasionally in U.S. markets – may give rise to a number of administrative issues that may prevent SAM from voting such proxies. For example, SAM through RGM may receive meeting notices without enough time to fully consider the proxy

or after the cut-off date for voting. Further, custodian banks that feed share information to RGM may provide late, inaccurate or incomplete information which results in shares remaining un-voted. Other markets require RGM and SAM to provide local agents with power of attorney prior to implementing voting instructions. Although it is SAM's policy to seek to vote all proxies for securities held in client accounts for which we have proxy voting authority, in the case of non-US issuers, we vote proxies on a best efforts basis.

Conflicts of Interest

SAM's policy is to always vote proxies in the best interests of its clients, as a whole, without regard to its own self interest or that of its affiliates. SAM has various compliance policies and procedures in place in order to address any material conflicts of interest which might arise in this context.

- SAM's Code of Ethics specifically limits the flow of certain business-related information.
- Within SAM, the Code of Ethics affirmatively requires that Employees act in a manner whereby no actual or apparent conflict of interest may be seen as arising between the employee's interests and those of SAM's clients.
- By assuming his or her responsibilities pursuant to this Policy, each member of the Proxy Team and the Proxy Committee undertakes:
 1. To disclose to the CCO or chairperson of the Proxy Committee, respectively, any actual or apparent personal material conflicts of interest which he or she may have (e.g., by way of substantial ownership of securities, relationships with nominees for directorship, members of an issuer's or dissident's management or otherwise) in determining whether or how SAM shall vote proxies; and
 2. To refrain from taking into consideration, in the decision as to whether or how SAM shall vote proxies:
 - The existence of any current or prospective material business relationship between SAM or any of its affiliates, on one hand, and any party (or its affiliates) that is soliciting or is otherwise interested in the proxies to be voted, on the other hand; and/or
 - Any direct, indirect or perceived influence or attempt to influence such action which the member views as being inconsistent with the purpose or provisions of this Policy or the SAM Codes of Ethics.

Where a material conflict of interest is determined to have arisen in the proxy voting process which may not be adequately mitigated by voting in accordance with the predetermined Voting Guidelines, SAM's policy is to invoke one or more of the following conflict management procedures:

1. Convene the Proxy Committee for the purpose of voting the affected proxies in a manner which is free of the conflict.
2. Causing the proxies to be voted in accordance with the recommendations of a qualified, independent third party, which may include SAM's proxy service provider, RMG.
3. In unusual cases, with the client's consent and upon ample notice, forwarding the proxies to SAM's clients so that they may vote the proxies directly.

Conflicts of interest are to be monitored and resolved pursuant to the Proxy Voting Policy described above.

Availability of Policy and Proxy Voting Records to Clients

SAM will initially inform clients of this Policy and how a client may learn of SAM's voting record for the client's securities through summary disclosure in Part II of Form ADV. Upon receipt of a client's request for more information, SAM will provide to the client a copy of this Policy and/or how SAM voted proxies for the client pursuant to this policy for up to a one-year period.

Attachment A

Proxy Voting Guidelines

The following guidelines have been established as a framework for exercising fiduciary authority in voting proxies for our fully discretionary accounts, including ERISA accounts in accordance with the views of the Department of Labor "DOL" as set forth in an advisory letter known as the "Avon letter". Accordingly, SAM as a fiduciary, must vote ERISA account proxies exclusively for the benefit of the plan's participants or beneficiaries. These guidelines are, however, merely guidelines as specific situations may call for unique responses and as such are not intended to be rigidly applied.

SAM's proxy policy is based on the following positions:

- (i) Management is generally most qualified to determine how to vote on board of director composition, selection of auditor, compensation, corporate law compliance and social issues; and
- (ii) Measures that are likely to entrench management or deter takeovers generally depress market value on both a long and short term basis and should not be supported.

The Board of Directors

A. Director Nominees

SAM places a high degree of importance on board independence and will withhold votes for nominees who are insiders or affiliated outsiders on compensation, audit, or nominating committees. Otherwise, votes shall be cast for the entire slate of directors nominated by the board.

This is based on the view that, management is in a good position to determine the credibility and potential contributions of the nominees and that director selection alone does not materially affect a company's market value.

Factors that may alter this policy are the establishment of anti-takeover measures limiting shareholder rights, conflicts of interest including consulting fees, abusive compensation schemes, poor attendance, failure to implement shareholder proposals that have voted favorably by the majority of shareholders or long-term poor economic performance.

B. Classified or Staggered Boards

Votes shall be cast against proposals to classify or stagger boards. Votes shall be cast for shareholder proposals to de-classify boards.

This is based on the view that periodic, as opposed to yearly, election of directors can be used to entrench management and make a corporation less attractive as a takeover candidate.

C. Cumulative Voting

Votes shall be cast on a case by case basis.

Under cumulative voting each stockholder is permitted to cast a number of votes equal to the number of share owned multiplied by the number of directors to be elected in any manner desired. Therefore cumulative voting can enable minority shareholders, dissatisfied with entrenched management, board representation.

If we are pleased with the current structure of the board, we will vote against such proposals. If there is evidence that management is entrenching the board or if other anti-takeover devices are in place we will generally vote for cumulative voting.

D. Size of the Board

Votes to increase or decrease the size of the board shall be determined on a case by case basis.

Votes shall be cast against capping the number of directors on the board.

The vote will be determined by the current size of the board, the reasons for the change and the probability that the proposed change might be used as an anti-takeover measure. Capping the size of a board is generally viewed as a management device to entrench friendly directors and make it difficult for outside shareholders to add their representative to a board.

E. Independent Directors

Votes shall generally be cast for proposals seeking a majority of directors be independent.

Votes shall generally be cast for proposals that Audit, Compensation and Nominating Committees be constituted such that a majority of directors are independent.

F. Separate Offices of Chairperson and Chief Executive Officer

Votes shall be cast on a case by case basis on proposals to separate the Office of the Chairman from that of the Chief Executive Officer.

Generally, separation of the offices eliminates the potential conflict of self-monitoring, however particularly in the case of small or recently reorganized companies, a combination of the two positions may be appropriate.

G. Director Liability Limitation

Votes shall generally be cast for proposals limiting director liability.

Such proposals are viewed as necessary to attract high quality board nominees in a litigious corporate environment.

Votes shall be cast against proposals limiting director liability for gross negligence or violation of the duty of care that go beyond reasonable standards.

H. Term Limits

Votes shall be cast against term limits.

Term limits may result in prohibiting the service of directors who significantly contribute the company's success and who effectively represent stockholders' interests.

Corporate Governance

A. Selection of Auditors

Votes shall be cast for the ratification of auditors recommended by management.

Unless there is reason to believe that the company's auditors have become complacent or derelict in their duties, the selection of auditors generally will not materially impact a corporation's market value and management is most qualified to make this determination.

Auditor independence:

Shareholder proposals requiring companies to prohibit their auditors from engaging in non-audit services (or cap level of non-audit services) will be decided on a case by case basis following the guidance of RMG.

Audit firm fees:

We will vote against auditors and withhold votes from audit committee members if non-audit fees are greater than audit fees, audit-related fees, and permitted tax fees combined. We will refer to RMG which monitors the disclosure categories being proposed by the SEC in applying the above formula.

Audit firm ratification:

We will vote for shareholder proposals requesting shareholder vote for audit firm ratification.

Audit firm rotation:

We will vote for shareholder proposals asking for audit firm rotation, unless rotation period is less than five years.

B. Unequal Voting rights

Votes shall be cast against proposals to authorize or issue voting shares with unequal voting rights.

Shares with super-voting characteristics give entrenched management or other insiders excessive voting dominance. Under current SEC regulations, a corporation with a class of issued super-voting stock is generally ineligible for trading on NASDAQ or a national stock exchange.

C. Fair Price Provisions

Votes shall be cast against fair price provisions.

Certain states, such as Delaware, have built fair price provisions into their corporate law which apply to all public companies except those who opt out of the fair price statute. Votes shall be cast for any proposal, usually initiated by shareholders, to opt out of a fair price statute.

Fair price provisions tend to make takeovers, particularly tender offers more expensive by requiring that stockholders tendering their shares at the "back end" of a tender offer receive equal consideration to that given shareholders who tender their shares at the "front end"

D. Confidential Voting

Votes shall be cast for confidential voting which permits shareholders to vote without identification.

E. Supermajority Provisions

Votes shall be cast against proposals to require a supermajority to approve significant business combinations or to amend any bylaws or charter provisions.

Votes shall be cast for initiatives to eliminate supermajority provisions.

These provisions serve to protect entrenched management.

F. Shareholders' Right to Call Meetings and access to the proxy ballot

Votes shall be cast against restrictions on stockholders to call meetings.

Any limitation on stockholders to act can strengthen entrenched management's hand in a takeover or other corporate challenge thus making a corporation a less attractive takeover candidate.

Shareholder proposals requiring companies to give shareholders access to the proxy ballot for the purpose of nominating board members will be evaluated on a case by case basis.

G. Shareholder Action by Written Consent

Votes shall be cast against proposals to restrict stockholders from taking action by written consent.

Use of written consents is an inexpensive method for stockholders to pass resolutions that might be challenged by entrenched management in a stockholders' meeting. Written consents have been used as takeover mechanisms to quickly expel entrenched management.

H. Reincorporation

Votes generally shall be cast against reincorporation into Delaware or other pro-management state.

Votes generally shall be cast for reincorporation into states that offer less resistant laws to corporate takeovers.

Pro-management laws often have the effect of entrenching management and deterring takeovers. While many reincorporation proposals carry such objectives, there are occasions where the purpose of the reincorporation may be to secure other benefits and must be taken into consideration in the vote.

I. US Reincorporation

Shareholder proposal requiring offshore companies to reincorporate into the United States will be evaluated on a case by case basis.

J. Adjustment in Charter or By-Laws to Conform to Corporate Law Changes

Votes shall be cast for by-law changes recommended by management to conform to changes in corporate law.

Management and corporate counsel are generally most qualified to monitor the propriety of these changes for compliance purposes.

Capital Structure

A. Increases in Common Stock

Votes shall be cast for increases in authorized common stock that are necessary to achieve legitimate corporate purposes.

Votes shall be cast against increases in authorized common stock that are deemed unnecessary, excessive or likely to be used to deter or fight takeovers.

Authorized common stock increases can constitute an important vehicle for raising capital, however it can also unnecessarily dilute shareholders or deter takeovers.

B. Change in Par Value of Authorized Stock

Votes shall be cast for routine changes in par value.

Management is most qualified to determine this as a routine matter. However, they should not be considered routine if they: i) decrease the value held by SAM or clients, ii) materially reduce the corporation's paid in or excess capital iii) reduce in par value a class of securities whose issuance can be used for anti-takeover purposes. In such circumstances, votes will be cast against such a proposal.

C. "Blank Check" Authorized Preferred Stock

Votes shall be cast against increases in "blank check" preferred stock.

"Blank check" preferred stock, stock authorized by shareholders that gives the board of directors broad powers to establish voting, dividend and other rights without shareholder review, can be used a takeover deterrent.

D. Merger, Consolidation, Reorganization, Recapitalization, Sale of Assets

Votes for these non-routine corporate transactions should be made on a case by case basis. The vote shall be based on an analysis of the transaction and should be the result of reasoned and formulated investment decisions.

E. Anti-Greenmail Proposals

Votes shall be cast for anti-greenmail proposals designed primarily to serve legitimate corporate purposes such as equal treatment among stockholders.

Votes shall be cast against anti-greenmail proposals designed primarily to deter potential raiders from making large investments in a corporation as a first step in a takeover.

F. Dividend Rights Plans, Poison Pills and Similar Devices

Votes shall be cast on a case by case basis for these proposals.

The following factors will be included in the consideration in determining a voting position; i) the specific terms of the plan ii) sunset provisions or clauses permitting shareholders to revoke the provision iii) absence/existence of other takeover defenses iv) prior performance of management v) management's prior decisions with regard to mergers and acquisitions vi) the extent to which such merger and acquisition decisions are subject to Board and stockholder review vii) the medium and long term

business plans of the company viii) the relationship of stock price to unrealized values and ix) the extent to which the corporation is perceived as a merger candidate. Since each situation can vary significantly, this list is intended to be representative but not limiting.

G. Standoff Proposals

Votes shall be cast for proposals that are designed to prevent the corporation from being forced to engage in transactions with potentially disruptive shareholders.

Votes shall be cast against proposals designed to prevent legitimate transactions to a corporate takeover.

Standoff proposals which typically prohibit a corporation from engaging in transactions such as mergers, asset purchases or sales, unless the transaction is consented to by the board of directors or a supermajority of shareholders, can positively or negatively affect shareholder value depending on the circumstances and need to be evaluated on the unique circumstances.

Compensation

A. Stock Option Plans and other Stock and Deferred Compensation Arrangements

Votes shall be cast on a case by case basis. RMG comparative analysis of share value transfer will be one of the primary criteria used in evaluating option and deferred compensation plans.

Votes shall be cast against management sponsored plans for employees that, alone or in conjunction with other plans, result in reserving over 20% of the company's total issued and outstanding stock.

Votes shall be cast against compensation plans whose participants are officers and directors, if such plans, alone or in conjunction with already existing plans, either i) are structured so as to enable a control block of stock (10%) to be issued to such officers and directors or ii) provide such officers and directors with either excessive payments of automatic cash-outs through stock appreciation rights or other vehicles such as golden parachutes in the event of a takeover.

B. Stock options awards

Shareholder proposals requiring performance-based stock options will be evaluated on a case by case basis.

Treatment of stock option awards:

We will vote for shareholder proposals asking the company to expense stock options, unless the company has already publicly committed to expensing options by a certain date.

Performance Based Awards:

We will generally vote for shareholder proposals advocating the use of performance-based equity awards, unless the proposal is overly restrictive or the company demonstrates that it is using a "substantial" portion of performance –based awards for its top executives.

We will generally vote for shareholder proposals to exclude pension fund income in the calculation of earnings used in determining executive bonuses/compensation.

Holding periods:

We will vote for shareholder proposals asking companies to adopt full tenure holding periods for their executives, unless the company has already established some sort of holding period.

Future stock option awards:

We will generally vote against shareholder proposals to ban future stock option grants to executives. This may be supportable in extreme cases where a company is a serial repricer, has a huge overhang, or has a highly dilutive broad-based (non-approved) plans and is not acting to correct the situation.

C. Supplemental Executive Retirement Plans (SERPs)

We will generally vote for Shareholder proposal unless the company's executive pension plans do not contain excessive benefits beyond what is offered under employee-wide plans, along with the requirement that companies report on their executive retirement benefits (deferred compensation, split-dollar life insurance, SERPs, and pension benefits).

Extraordinary benefits:

Votes will be cast on a case by case basis concerning shareholder proposal requiring shareholder approval of extraordinary pension benefits for senior executives under the company's SERP.

Key committee composition:

With respect to management proposals requesting reelection of insiders or affiliated directors who serve on audit, compensation, and nominating committees, we will withhold votes from any insiders or affiliated outsiders on audit, compensation or nominating committees. We will withhold votes from any insiders or affiliated outsiders on the board if any of these key committees has not been established.

Social/Political Issues

A. Sudan, South Africa, Environmental, Discrimination and Health Issues and other "Social Proposals"

Votes will be cast on a case by case basis.

SAM appreciates the importance of proposals relating to social issues and believes that economic, political, social, environmental and similar concerns can significantly affect both corporate and industry-wide performance and the community in general. Accordingly, SAM will review and vote on such social-oriented proposals in accordance with its legal responsibilities. In such review, SAM will seriously consider management's recommendations on the grounds that management is often most qualified to determine how social proposals will impact on a particular corporation's business and stockholders.

Other

Periodically proposals will appear in proxy materials that do not fit any of the descriptions set forth above. Such proposals will be dealt with on a case by case basis.