Topic		Rhode Island Vote Recommendation
6. Executive and Director Compensation		
6a.Executive Pay		
	6a-1. Advisory Votes on Executive Compensation - Management Say-on-Pay Proposals	Vote on a **case-by-case** basis management proposals seeking advisory votes on executive compensation
		Vote **against** management say on pay proposals where there is a misalignment between CEO pay and company performance; the company maintains problematic pay practices; the board exhibits a significant level of poor communication and responsiveness to shareholders or if the board has failed to demonstrate good stewardship of investors' interests regarding executive compensation practices**.** Specifically, vote against management say on pay proposals if any of the following conditions apply: -CEO pay exceeds the 4x average named executive officer (NEO) pay; -Performance-based pay is less than 50 percent of total CEO compensation; or -The magnitude of CEO pay exceeds the 75th percentile of the company's peer group, while company performance is below its industry peer median.
		Vote **against** an equity plan on the ballot if pay for performance misalignment exists, and a significant portion of the CEO's misaligned pay is attributed to non-performance-based equity awards, taking into consideration: - Magnitude of pay misalignment; - Contribution of non-performance-based equity grants to overall pay; and - The proportion of equity awards granted in the last three fiscal years concentrated at the named executive officer (NEO) level.
	6a-2. Frequency of Advisory Vote on Executive Compensation - Management Say-on-Pay	Vote for **annua**l advisory votes on compensation, which provide the most consistent and clear communication channel for shareholder concerns about companies' executive pay programs.
	6a-3. Advisory Vote on Golden Parachutes in an Acquisition, Merger, Consolidation, or Proposed Sale	Vote **case-by-case** on say on Golden Parachute proposals, including consideration of existing change-in-control arrangements maintained with named executive officers rather than focusing primarily on new or extended arrangements.
	6a-4. Equity-Based Incentive Plans	Vote **case-by-case** on equity-based compensation plans depending on a combination of certain plan features and equity grant practices, where postive factors may counterbalance negative factors, and vice versa, as evaluated in three pillars:
		(i) **Plan Cost**: The total estimated cost of the company's equity plans is unreasonable;relative to industry/market cap peers, measured by the company's estimated Shareholder Value Transfer (SVT) in relation to peers and considering both: -The plan expressly permits the repricing of stock options/stock appreciate rights (SARs) without prior shareholder approval; -A pay-for-performance misalignment is found); -SVT based on new shares requested plus shares remaining for future grants, plus outstanding unvested/unexercised grants; and -SVT based only on new shares requested plus shares remaining for future grants. (ii) **Plan Features**: -Automatic single-triggered award vesting upon a change in control (CIC); -Discretionary vesting authority; -Liberal share recycling on various award types; -Minimum vesting period for grants made under the plan. (iii) **Grant Practice**s: -The company's three year burn rate exceeds the burn rate cap of relative to its industry group/market cap peers; -Vesting requirements in most recent CEO equity grants (3-year look-back); -The estimated duration of the plan based on the sum of shares remaining available and the new shares requested, divided by the average annual shares granted in the prior three years; -The proportion of the CEO's most recent equity grants/awards subject to performance conditions; -Whether the company maintains a claw-back policy; -Whether the company has established post exercise/vesting share-holding requirements.
		Generally vote against the plan proposal if the combination of above factors indicates that the plan is not, overall, in shareholders' interests, or if any of the following apply: -Awards may vest in connection with a liberal change-of-control definition; -The plan would permit repricing or cash buyout of underwater options without shareholder approval (either by expressly permitting it – for NYSE and Nasdaq listed companies -- or by not prohibiting it when the company has a history of repricing – for non-listed companies); -The plan is a vehicle for problematic pay practices or a pay-for-performance disconnect; -Any other plan features are determined to have a significant negative impact on shareholder interests; -If the potential basic dilution represented by the proposal exceeds 4 percent of shares outstanding.