

## 2016 PRIVACY & PROXY NOTICE

### PRIVACY POLICIES AND PROCEDURES

The trust and confidence of our customers is important to Congress Asset Management Company. For this reason, we are careful in the way we collect and handle non-public, personal information about our clients ("Client Information"). This Privacy Notice describes our policies and practices regarding Client Information and how it is obtained, disseminated, and protected.

#### Information We Collect

We may collect Client Information from the following sources:

- Information we receive on contracts or other forms, such as name, address, date of birth, and social security number
- Information relating to transactions with us, our affiliates and others, such as the purchase and sale of securities and account balances
- Information we receive from third parties, such as custodians, wealth management and financial services firms, as required or permitted by law

#### Information We Disclose

We disclose Client Information about our present or former Clients to third parties only to the extent required or permitted by law. Such sharing of Client Information is applied to:

- Everyday business purposes such as processing transactions, maintaining and or servicing your account
- Cooperating with regulatory authorities, responding to court orders and legal investigations
- Taking reasonable and necessary steps to prevent fraud, unauthorized transactions, etc.

#### Opting-Out

The information we disclose is limited, and essential to servicing your account, protecting your privacy and meeting obligation under state and federal law. We do not disclose Client Information requiring a notice to you for limiting such disclosure, otherwise known as "opting-out". However, should we wish to disclose additional Client Information, we will only do so with your written permission as discussed below.

#### Opt-In Process for Sharing Additional Client Information

Our current business practices require us to obtain from you affirmative written permission ("Opting-In"), before we disclose any Client Information outside of what is discussed above in the "Information We Disclose" section of this notice. In the event we wish to share such additional Client Information, we will provide you an Opt-In form describing the additional Client Information we seek to share, with whom we wish to share it with, and for what purpose. Until such form is received by us from you, indicating your permission, such additional Client Information about you will not be shared.

#### Information Security

- We continue to evaluate our efforts to protect confidential Client information and to keep our privacy policy and practices current
- We restrict access to Client Information to employees and service providers who are involved in providing products and services to our clients
- Employees with access to Client information may not use or disclose such information, except for Congress Asset Management Company business use
- We maintain physical, electronic, and procedural safeguards in order to protect Client Information.
- When there is a need to dispose of confidential Client information, we require our employees to shred, not discard the information

If you have any questions regarding our Privacy Policy, call us at 800-542-7888 or write to us at 2 Seaport Lane, Boston, MA 02210.

### PROXY POLICIES AND PROCEDURES

#### PROXY POLICIES

##### Responsibility

Congress Asset Management Company's responsibility as an investment manager and plan fiduciary, as outlined in rule 206(4)-6 under the Investment Advisers Act of 1940, and the Employee Retirement Income Security Act of 1974 and subsequent Department of Labor policy statements, includes the duty to vote proxies on behalf of our clients when proxy voting authority has been delegated to us. Congress Asset Management Company accepts its fiduciary responsibility to vote proxies under these circumstances. This statement is intended to set forth those policies and guidelines to be followed in carrying out our responsibility.

## **General Principles of Voting**

Proxy voting rights have been declared by the Department of Labor to be valuable plan assets and therefore must be exercised in accordance with the fiduciary duties of loyalty and prudence. This policy statement has been carefully crafted to meet the requirements of loyalty and prudence and will be employed by the Proxy Committee in its proxy voting procedures and decisions.

The duty of loyalty requires that a voting fiduciary exercise its proxy voting authority solely in the interests of its clients, or plan participants and beneficiaries and for the exclusive purpose of providing plan benefits to participants and beneficiaries. The voting fiduciary is prohibited from subordinating the interests of participants and beneficiaries to unrelated objectives.

The duty of prudence requires that proxy voting authority be exercised with the care, skill, prudence, and diligence that a similarly situated prudent person knowledgeable in such matters would exercise. Thus, in making proxy voting decisions, issues based on the merits of each. Congress Asset Management Company shall seek out information from a variety of sources to determine what is in the long term economic best interest of its clients, plan participants, and beneficiaries prior to making a proxy voting decision.

In keeping with its fiduciary responsibilities, Congress Asset Management Company will vote proxies in accordance with the "economic best interests" of its clients, plan participants and beneficiaries. Congress Asset Management Company will consider the long-term impact of business plans on all affected parties including shareholders, debt holders, employees, retired workers, and communities in which the firm operates.

## **Decisions Free of Outside Influence**

Generally, Congress Asset Management Company will vote on the recommendation of the issuer's management. However, Congress shall take into consideration the general positions of trustees and other fiduciaries in deciding how to vote proxies. Congress Asset Management Company currently utilizes the services of Broadridge Investor Communications, an independent provider of proxy voting services. Such services may include voting execution, comprehensive reporting, and supporting justification. However, any influence imposed upon us by a person or persons who have a direct personal or financial interest in the outcome will be rejected as a violation of ERISA and our moral obligation to plan participants, and clients. On contested issues the guiding principle shall be the long term "economic best interests" of all affected parties. The interest of any one group shall not dominate the decision to the detriment of other affected parties.

Clients and prospective clients should be aware that Congress Asset Management typically follows the recommendation of the AFL-CIO when voting proxies for Taft-Hartley clients, while at the same time is actively soliciting new business from the Taft-Hartley market. Voting to such recommendations may at times be different from how we vote our other clients' proxies and in opposition to the interests of such other clients.

## **PROXY PROCEDURES**

### **Proxy Committee**

The Proxy committee shall have responsibility for setting the proxy voting policy at Congress Asset Management Company. Proxies will be voted in the economic best interest of each individual client, ERISA plan participant, and beneficiaries. The Proxy Committee will use all available resources to help in evaluating proxy issues, and setting policies that are appropriate for each client. Congress Asset Management Company has an agreement with Broadridge Investor Communications to provide integrated third party research and electronic, automated, rules based voting capabilities via the Broadridge ProxyEdge service for each individual proxy.

In the event of a vote that falls outside of the standard proxy voting rules for Congress Asset Management Company, the Proxy Committee will meet to review a specific vote. When the Proxy Committee reaches a decision concerning the proxy vote in question, Broadridge ProxyEdge shall be instructed to vote accordingly and no further action shall be required. A simple majority of the Proxy Committee shall be required for a final ruling on proxy issues.

### **Record Keeping**

- 1) Proxy Committee minutes and meeting material including the basis for any voting decision including whether the advice of any individual outside of the organization was acted upon.
- 2) Records will be maintained detailing how proxies were voted and for which accounts they were voted.

Records of proxy voting will be made available to Clients and ERISA Plan Sponsors upon a written request by email to [proxies@congressasset.com](mailto:proxies@congressasset.com) or by mail to Congress Asset Management Company, 2 Seaport Lane, 5<sup>th</sup> Floor, Boston, MA 02210.

## **PROXY COMMITTEE:**

Daniel A. Lagan

Gregg A. O'Keefe

Dory Bowers