

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

OMB APPROVAL

OMB Number: 3235-0049

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Name of Investment Adviser: PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone Number
50 CONGRESS STREET, SUITE 410	BOSTON	MA	02109	617 227-3111

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	SEC File Number: 801- 31820	Date: 03/25/2009
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**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |   |         |
|---|---------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services  | 100 %   |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services   | _____ % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above   | _____ % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription  | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above  | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities  | _____ % |
| <input type="checkbox"/> (8) Provides a timing service  | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above  | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☐ ☒

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> A. Individuals           | <input type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies             | <input type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input type="checkbox"/> D. Pension and profit sharing plans |   |

**3. Types of Investments** Applicant offers advice on the following: (check those that apply)

- |   |   |
|---|---|
| <p>A. Equity securities</p> <p><input type="radio"/> (1) exchange-listed securities</p> <p><input type="radio"/> (2) securities traded over-the-counter</p> <p><input type="radio"/> (3) foreign issuers</p> <p><input type="radio"/> B. Warrants</p> <p><input type="radio"/> C. Corporate debt securities<br/>(other than commercial paper)</p> <p><input type="radio"/> D. Commercial paper</p> <p><input type="radio"/> E. Certificates of deposit</p> <p><input type="radio"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input type="radio"/> (1) variable life insurance</p> <p><input type="radio"/> (2) variable annuities</p> <p><input type="radio"/> (3) mutual fund shares</p> | <p><input type="radio"/> H. United States governmental securities</p> <p>I. Options contracts on:</p> <p><input type="radio"/> (1) securities</p> <p><input type="radio"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="radio"/> (1) tangibles</p> <p><input type="radio"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="radio"/> (1) real estate</p> <p><input type="radio"/> (2) oil and gas interests</p> <p><input type="radio"/> (3) other (explain on Schedule F)</p> <p><input type="radio"/> L. Other (explain on Schedule F)</p> |
|---|---|

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |                                       |   |
|---------------------------------------|---|
| <input type="radio"/> (1) Charting    | <input type="radio"/> (4) Cyclical                      |
| <input type="radio"/> (2) Fundamental | <input type="radio"/> (5) Other (explain on Schedule F) |
| <input type="radio"/> (3) Technical   |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) Financial newspapers and magazines    | <input type="radio"/> (5) Timing services   |
| <input type="radio"/> (2) Inspections of corporate activities   | <input type="radio"/> (6) Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| <input type="radio"/> (3) Research materials prepared by others | <input type="radio"/> (7) Company press releases  |
| <input type="radio"/> (4) Corporate rating services             | <input type="radio"/> (8) Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) Long term purchases (securities held at least a year) | <input type="radio"/> (5) Margin transactions   |
| <input type="radio"/> (2) Short term purchases (securities sold within a year)  | <input type="radio"/> (6) Option writing, including covered options, uncovered options, or spreading strategies |
| <input type="radio"/> (3) Trading (securities sold within 30 days)              | <input type="radio"/> (7) Other (explain on Schedule F)   |
| <input type="radio"/> (4) Short sales   |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:  
PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.

SEC File Number:  
801- 31820

Date:  
03/25/2009

**5. Education and Business Standards.**

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☒ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☒ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="radio"/> (1) broker-dealer   | <input checked="" type="radio"/> (7) accounting firm                                       |
| <input checked="" type="radio"/> (2) investment company  | <input checked="" type="radio"/> (8) law firm  |
| <input checked="" type="radio"/> (3) other investment adviser  | <input checked="" type="radio"/> (9) insurance company or agency                           |
| <input checked="" type="radio"/> (4) financial planning firm   | <input checked="" type="radio"/> (10) pension consultant                                   |
| <input checked="" type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input checked="" type="radio"/> (11) real estate broker or dealer                         |
| <input checked="" type="radio"/> (6) banking or thrift institution   | <input checked="" type="radio"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☒ ☐

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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<p><b>9. Participation of Interest in Client Transactions.</b>  Applicant or a related person: (check those that apply)</p> <div style="display: flex; flex-direction: column; gap: 5px;"> <div><input checked="" type="checkbox"/> A. As principal, buys securities for itself from or sells securities it owns to any client.</div> <div><input checked="" type="checkbox"/> B. As broker or agent effects securities transactions for compensation for any client.</div> <div><input checked="" type="checkbox"/> C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.</div> <div><input checked="" type="checkbox"/> D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.</div> <div><input type="checkbox"/> E. Buys or sells for itself securities that it also recommends to clients.</div> </div> <p>(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)</p> <p>Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.</p>					
<p><b>10. Conditions for Managing Accounts.</b> Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services <i>and</i> impose a minimum dollar value of assets or other conditions for starting or maintaining an account?</p> <p style="text-align: center;">(If yes, describe on Schedule F.)</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"><b>Yes</b></td> <td style="width: 50%;"><b>No</b></td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	<b>Yes</b>	<b>No</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Yes</b>	<b>No</b>				
<input checked="" type="checkbox"/>	<input type="checkbox"/>				
<p><b>11. Review of Accounts.</b> If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:</p> <div style="display: flex; flex-direction: column; gap: 10px;"> <div> <p>A. Describe below the reviews and reviewers of the accounts. <b>For reviews</b>, include their frequency, different levels, and triggers factors. <b>For reviewers</b>, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.</p> <p>PORTFOLIOS ARE REVIEWED ON AN ONGOING BASIS BY THE PRINCIPALS OF THE APPLICANT WITH RESPECT TO CURRENT EVENTS, MARKET DEVELOPMENTS, AND CLIENT NEEDS.</p> </div> <div> <p>B. Describe below the nature and frequency of regular reports to clients on their accounts.</p> <p>QUARTERLY PORTFOLIO VALUATIONS</p> </div> </div>					

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                       |                       |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? .....               | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? ..... | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? .....                   | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? .....                         | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                       |                       |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... ☐ Yes ☐ No

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	801- 31820	03/25/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	IRS Empl. Ident. No.: 04-2996291
--	-------------------------------------

Item of Form (identify)	Answer
	<p><b><u>Part II-Page2-1.D.</u></b></p> <p>Penobscot provides investment supervisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions with each client, Penobscot develops mutually agreeable investment objectives. Account supervision is guided by the stated objectives of the client (i.e., income, growth and income, and growth).</p> <p>Rule 206(4)-6 of the Investment Advisers Act of 1940 ("IA Act") requires advisers to create and maintain written proxy voting policies and procedures. Penobscot has said proxy policies and procedures in place. Clients may obtain a copy of Penobscot's complete Proxy Voting Policies and Procedures by contacting Penobscot at 617-227-3111 or by email at <a href="mailto:pim@pimboston.com">pim@pimboston.com</a>. Clients may request, in writing, information on how proxies were voted. If any client requests a copy of Penobscot's complete proxy policies and procedures or how Penobscot voted, Penobscot will promptly provide such information to the requesting client. The following is a summary of Penobscot's policies and procedures:</p> <p>Eugene H. Clapp oversees and supervises Penobscot's proxy voting policies and procedures. Mr. Clapp monitors the process to ensure that staff responsible for voting client proxies are keeping appropriate records and voting proxies in accordance with Penobscot's proxy voting policies and procedures and in accordance with Rule 204-2 of the IA Act, as amended.</p> <p>In voting proxies, Penobscot evaluates on a case-by-case basis all proposals submitted by firms in which our clients have an investment. In this regard, our voting responsibility is to protect and enhance the value of assets under management for the exclusive benefit of the client's portfolio and beneficiaries.</p> <p>The procedure involves Routine and Non-Routine issues. Routine issues may involve the election of directors, name changes and appointment of auditors. Non-routine issues will focus on the impact of the vote on the specific investment. Areas that are evaluated with these issues may include the following:</p> <ul style="list-style-type: none"> <li>· Corporate Governance Proposals</li> <li>· Incentive Compensation, Directors' Liability and Similar Items</li> <li>· Corporate Finance, Capital Structure and Ownership Proposals</li> <li>· Takeover Defenses</li> <li>· Social and Environmental Issues Proposals</li> </ul> <p>All material conflicts of interest on proxy matters when identified will be disclosed to the client and resolved to the benefit of the client. When a conflict is disclosed, Penobscot will request that the</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	801- 31820	03/25/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	IRS Empl. Ident. No.: 04-2996291
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Item of Form (identify)	Answer																		
	<p>client review the proxy issue and instruct in writing its voting direction and consent. If the client is unable to direct or is uninformed on an issue, Penobscot will suggest that an independent third party be retained at the client's expense to determine how the proxy should be voted. Penobscot will ensure that all votes are submitted in a timely manner unless Penobscot otherwise determines that voting a proxy is not in a client's best interest.</p> <table> <tr> <th><u>Assets Under Management</u></th><th><u>Management Fees</u></th></tr> <tr> <td>The first \$500,000</td><td>1.25%</td></tr> <tr> <td>The second \$500,000</td><td>1.00%</td></tr> <tr> <td>Assets above \$1,000,000</td><td>0.80%</td></tr> </table> <p>When supervised accounts hold mutual funds supervised by Penobscot, clients are paying two management fees; one to Penobscot and one to the fund's advisor. Fees are negotiable and the investment management agreement may be terminated at any time by the advisor or client with written notice.</p> <p><b><u>Part II-Page 2-Item 2.G.</u></b></p> <p>Penobscot also provides investment advice to a family run Partnership.</p> <p><b><u>Part II-Page 4-Item 5.</u></b></p> <p>Advisory persons associated with Penobscot must possess, minimally, a college degree and/or appropriate experience and all required licenses.</p> <p><b><u>Part II-Page 4-Item 6.</u></b></p> <p>Principal executive officers and individuals who provide general investment advice:</p> <table> <tr> <th><u>Name</u></th><th><u>Date of Birth</u></th></tr> <tr> <td>Douglas Edward Hart</td><td>03/01/1953</td></tr> <tr> <td>Eugene Howard Clapp</td><td>11/19/1949</td></tr> <tr> <td>Jonathan Reid Phillips</td><td>07/09/1946</td></tr> <tr> <td>Elizabeth Lincoln Chioffi</td><td>04/27/1968</td></tr> </table>	<u>Assets Under Management</u>	<u>Management Fees</u>	The first \$500,000	1.25%	The second \$500,000	1.00%	Assets above \$1,000,000	0.80%	<u>Name</u>	<u>Date of Birth</u>	Douglas Edward Hart	03/01/1953	Eugene Howard Clapp	11/19/1949	Jonathan Reid Phillips	07/09/1946	Elizabeth Lincoln Chioffi	04/27/1968
<u>Assets Under Management</u>	<u>Management Fees</u>																		
The first \$500,000	1.25%																		
The second \$500,000	1.00%																		
Assets above \$1,000,000	0.80%																		
<u>Name</u>	<u>Date of Birth</u>																		
Douglas Edward Hart	03/01/1953																		
Eugene Howard Clapp	11/19/1949																		
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**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

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PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	801- 31820	03/25/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	IRS Empl. Ident. No.: 04-2996291
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Item of Form (identify)	Answer				
	<u>Education</u>	<u>School</u>	<u>Grad.</u>	<u>Degree</u>	
	D. Hart	Boston University, Boston MA	1976	BS, Bus. Admin.	
	E. Clapp	Univ. of Pennsylvania, Philadelphia PA	1972	BA, Sociology	
	E. Clapp	University of Chicago, Chicago IL	1974	MBA, Finance	
	J. Phillips	Brown University, Providence RI	1968	BA, Literature	
	E. Chioffi	University of Vermont, Burlington VT	1991	BS, Plant and Soil Science	
	<u>Background</u>	<u>Name of Firm</u>	<u>Business</u>	<u>Position</u>	<u>Years</u>
	D. Hart	Penobscot Invst Mgmt	Invst Advisors	Principal	02/88-pres
	E. Clapp	Penobscot Invst Mgmt	Invst Advisors	Principal	02/88-pres
	J. Phillips	Penobscot Invst Mgmt	Invst Advisors	Principal	09/02-pres
	J. Phillips	Retired			06/99-09/02
	J. Phillips	Fiduciary Trust Co.	Trstees & Invst Mgrs	VP & Dir	05/74-06/99
	E. Chioffi	Penobscot Invst Mgmt	Invst Advisors	Principal	07/06-pres
	E. Chioffi	Mass Invst Counsellors	Invst Advisors	Portfolio Mgr	07/01-06/06
	E. Chioffi	Infinity Group Inc	Brokerage	Reg Rep	10/99-07/01
	<b><u>Part II-Page 5-Item 9.</u></b>				
	<p>The Code of Ethics establishes rules of conduct for all employees of Penobscot and is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Penobscot and its employees owe a fiduciary duty to Penobscot's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.</p> <p>The Code is designed to ensure that the high ethical standards long maintained by Penobscot continue to be applied. The purpose of the Code is to preclude activities which may lead to or give</p>				

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	801- 31820	03/25/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	IRS Empl. Ident. No.: 04-2996291
--	-------------------------------------

Item of Form (identify)	Answer
	<p>the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.</p> <p>Pursuant to Section 206 of the Advisers Act, both Penobscot and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the Penobscot has an affirmative duty of utmost good faith to act solely in the best interest of its clients.</p> <p>Penobscot and its employees are subject to the following specific fiduciary obligations when dealing with clients:</p> <ul style="list-style-type: none"> <li>· The duty to have a reasonable, independent basis for the investment advice provided;</li> <li>· The duty to obtain best execution for a client's transactions where the Firm is in a position to direct brokerage transactions for the client;</li> <li>· The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and</li> <li>· A duty to be loyal to clients.</li> </ul> <p>In meeting its fiduciary responsibilities to its clients, Penobscot expects every employee to demonstrate the highest standards of ethical conduct. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with Penobscot. Employees are urged to seek the advice of the Chief Compliance Officer for any questions about the Code or the application of the Code to their individual circumstances. Employees should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with Penobscot. The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for employees of Penobscot in their conduct. Clients may obtain a copy of Penobscot's complete Code of Ethics by contacting Penobscot at 617-277-3111 or by email at <a href="mailto:pim@pimboston.com">pim@pimboston.com</a>.</p> <p><b><u>Part II-Page 6-Item 12.A. (1)</u></b></p> <p>For discretionary clients, Penobscot requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold.</p> <p><b><u>Part II-Page 6-Item 12.A. (2)</u></b></p> <p>Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.</p>

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	801- 31820	03/25/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: PENOBSCOT INVESTMENT MANAGEMENT COMPANY, INC.	IRS Empl. Ident. No.: 04-2996291
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Item of Form (identify)	Answer
	<p><b><u>Part II-Page 6-Item 12. A. (3) &amp; (4)</u></b></p> <p>For bond portions of advisory client portfolios, Penobscot requests that it be provided with written authority to determine the broker-dealer to use for bond transactions. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing. Penobscot will endeavor to select those broker-dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions are based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help Penobscot in providing investment management services to clients. Penobscot will not accept any "soft dollars" from selected broker-dealers in relation to the bond portions of the advisory client's portfolio.</p> <p><b><u>Part II-Page 6-Item 12.B.</u></b></p> <p>For equity portions of advisory client portfolios, Penobscot does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid. Clients must direct Penobscot as to the broker-dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Penobscot will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. For clients in need of brokerage or custodial service, and depending on client circumstances and needs, Penobscot may recommend the use of one of several broker-dealers, including but not limited to Charles Schwab &amp; Company, Inc. ("Schwab"), provided that such recommendation is consistent with Penobscot's fiduciary duty to the client. Penobscot clients should independently evaluate these brokers before opening an account. The factors considered by Penobscot when making this recommendation are the broker's ability to provide professional services, Penobscot's experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker. All clients are free to select any broker-dealer of his or her choice. Clients should note that Penobscot participates in the Schwab Institutional ("SI") services program offered to independent investment advisers by Schwab, a registered broker-dealer and member SIPC. As a participant in the SI program, Penobscot receives benefits that it would not receive if it did not offer investment advice in connection with the SI program (See the disclosure under Item 13.A of this Schedule F narrative).</p> <p><b><u>Part II-Page 6-Item 13.A.</u></b></p> <p>As indicated under the disclosure for Item 12.A(3) and 12.A(4), Penobscot will not accept any "soft dollar" benefits from any broker-dealer in relation to bond transactions for advisory clients. Penobscot participates in Schwab's SI service program. While there is no direct linkage between the investment advice given and participation in the SI program, Schwab provides Penobscot with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in account at SI and is not otherwise contingent upon Penobscot</p>

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

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	<p>committing to Schwab any specific amount of business. Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Penobscot's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab also makes available to Penobscot other products and services that benefit Penobscot but may not benefit its clients' accounts. Some of these other products and services assist Penobscot in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Penobscot's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Penobscot's accounts, including accounts not maintained at SI. SI also makes available to Penobscot other services intended to help Penobscot manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Penobscot by independent third parties. SI may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees for a third-party providing these services to Penobscot. While as a fiduciary, Penobscot endeavors to act in its clients' best interests, and Penobscot's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Penobscot of the availability of some of the foregoing products and services and not solely on the cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.</p> <p><b><u>Part II-Page 6-Item 13.B.</u></b></p> <p>Penobscot entered into an agreement with Pulsifer &amp; Associates. This agreement states that Penobscot will directly compensate Pulsifer &amp; Associates for clients Nathaniel Pulsifer refers to Penobscot. Nathaniel Pulsifer markets Penobscot's services and encourages his non-supervisory clients and his associates to employ Penobscot as their successor investment advisor/supervisor. This agreement calls for us to pay a percentage of fees collected for a period of five years, ending December 31, 2008 to Pulsifer &amp; Associates. This agreement terminated December 31, 2009.</p> <p>Penobscot entered into an agreement with Charles S. Cheston, formerly of Pulsifer &amp; Associates. This agreement states that Penobscot will directly compensate Charles S. Cheston for clients he refers to Penobscot. This agreement calls for us to pay a percentage of fees collected for a period of four years, ending October 1, 2010, to Charles S. Cheston.</p> <p>Penobscot entered into an agreement with Richard K. Lincoln, formerly of Massachusetts Investment Counsellors. This agreement states that Penobscot will directly compensate Richard K. Lincoln for clients he refers to Penobscot. This agreement calls for us to pay a percentage of fees collected for a period of five years, ending July 1, 2012, to Richard K. Lincoln.</p>