

March 27, 2021

Brochure for

Greylin Investment Management Inc.
12490 Greylin Way
Orange, VA 22960

Contact Information:

D. Gregory Parkinson, Investment Manager

540.661.0191

greylin@earthlink.net
gregparkinson@earthlink.net

Note: This brochure provides information about the qualifications and business practices of Greylin Investment Management Investment Management Inc. If you have any questions about the contents of this brochure, please contact us at 540.661.0191, or at greylin@earthlink.net or gregparkinson@earthlink.net

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. In addition, any reference made to Greylin Investment Management as a “Registered Investment Advisor” or as being “Registered” should not be interpreted to imply a certain level of skill or training.

Summary of changes:

Assets under management as of December 31, 2020, were \$473,190,975.

Table of Contents

Page Number

Advisory Business	
Types of Advisory Services Offered	3
The Amount of Client Assets Managed	4
Fees and Compensation	
How Fees are Calculated and Collected	5
Negotiated Fee Process	6
Other Fees and Expenses	7
Potential Conflicts of Interest	8
Standard Fee Schedules	9-10
Types of Clients	
Minimum Asset Requirements	11
General Client Characteristics	12
Investment Strategies and Research	
Methods of Investment Analysis	13
Investment Strategies	14-15
Risks	16
Disciplinary Information - None as of this date	
Other Financial Industry Activities and Affiliations	
Arrangements with Other Financial Industry Participants	17
Conflicts of Interest	17
Code of Ethics and Fiduciary Duties	
Description of Code of Ethics and Privacy Policy	18
Conflicts of Interest Related to Investment Recommendations	19
Personal Trading and Conflicts of Interest	20
Brokerage Practices	
Brokerage Selection	21
Soft Dollar Policies	21
Directed Brokerage	21
Trade Aggregation	22
Review of Accounts	
Review Process	23
Exceptions	23

Table of Contents (continued)

	<u>Page Number</u>
Client Referrals and Business Development	
Compensation for Referrals	24
New Client Additions	25
Custody	
Custodian Account Statements	26
Greylin Investment Management Account Statements	26
Comparing Statements for Fees and Activities	26
Investment Discretion	
Discretionary Authority	27
Client Imposed Limitations on Discretionary Authority	27
Voting Client Securities	
Client Election on Voting Securities	28
Greylin Investment Management's Proxy Voting Policies and Procedures	29-31
Client Direction on Particular Votes	32
Conflicts of Interest	32
Records of Historical Voting	32
Financial Information	33

Types of Advisory Services Offered

Greylin Investment Management Inc. (Greylin Investment Management) was founded in 1992, and is privately owned and primarily operated by D. Gregory Parkinson.

Greylin Investment Management Inc (Greylin Investment Management) is a customer-oriented firm offering customized investment management, primarily for high net worth individuals, but also for small businesses, charitable or non-profit organizations and foundations. Investment services provided include a complete initial review and recommendations based on client goals and objectives, implementation of an investment program, account monitoring and evaluation, quarterly reports with investment performance compared to investment market indices, annual reports with tax-related information and complete historical record keeping on investment account activities and performance. These services are focused on using well-established investments primarily in the stocks of large, well-known companies with a long history of strong performance. Although we do have a few clients with a primary objective of capital preservation or income, most of our clients have a desire to see their account values and income rise over longer time periods. As a result, we specialize in investing for growth to achieve those goals mainly by utilizing investments to create diversified portfolios of individual stocks.

We discuss investment expectations and risk with our clients, and create portfolios tailored to meet those expectations over time. Ultimately, clients can indicate any particular types of investments which they desire to own, or restrict the purchase of investments which they wish to avoid. We want clients to be comfortable with the investments they own and with the investment results they achieve. We also want them to be fully aware of the various risks and expenses associated with different investment strategies.

Amount of Client Assets

As of December 31, 2020, Greylin Investment Management managed \$473,190,975 in assets. Greylin Investment Management has discretionary investment authority over all of these accounts.

How Fees are Calculated and Collected

It is our continuing objective to keep our fees for investment management services at reasonable levels. Our standard fee schedules have not been increased at all since the original founding of the firm in December, 1992. It is our opinion that if the investment management process is handled correctly, then asset values should grow over time and our fees should rise as a result, without having to raise our rates to cover cost increases. We attempt to charge fees which are lower as a percentage of assets compared to most mutual funds, while providing customized investment management and reporting for clients.

Our fees are normally calculated and collected on a monthly basis by deducting the fees directly from the client's account(s). Fees are calculated based on the fee schedules or fee programs agreed to in advance, and billing statements are prepared and sent, along with a letter explaining the period that the fees cover, and when they will be deducted from the account(s). That way the client is aware of the fees that will be deducted for the prior period and can see how they were calculated and alert us if they have any questions or discrepancies.

Occasionally, clients would prefer to be charged on a quarterly basis or the accounts are so small that we elect to bill them on a quarterly or annual basis in order to be more economical. Clients are fully aware of this process, and the billing is done by averaging the monthly or quarterly values with a letter explaining the process and the periods covered. Again, no fees are deducted until after these statements have been sent out, and the investment management services have already been provided. Clients always have the option to pay their investment management fees by check and a few do, but almost all clients prefer to have the fees automatically deducted from their accounts.

Negotiated Fees

It is Greylin Investment Management's continuing objective to maintain a schedule of fees which will consistently be fair and reasonable in relation to the responsibilities assumed and the duties performed. As such, we occasionally will adjust our fees from the normal fee schedule in order to more fairly charge clients based on the scope of services provided. These adjustments can be higher than the standard fees or lower, depending on the specific circumstances. Most of the time we approach the particular client and suggest the alteration of our standard fees based on the situation. We try to look at the entire relationship and amount of time and effort involved in determining any changes to the fees that would normally be charged. Any altered fee schedule agreed to by the client is clearly outlined and detailed in billing statements sent out to them with a letter of explanation.

Other Fees and Expenses

Clients whose assets under management by Greylin Investment Management include mutual funds, exchange traded funds (ETFs), precious metal funds, publicly traded partnerships, closed end funds, or money market or cash funds should be aware that they are likely to incur two advisory fees on those assets. These two fees include the fee paid to Greylin Investment Management and also the fee paid by the investment entity to the mutual fund advisor or investment managers for that particular investment's operations. We attempt to keep these other types of investments with additional fees to a minimum, but occasionally they are appropriate for certain account situations in order to participate in unique investment opportunities in an economical fashion, or to provide better overall investment diversification more efficiently at a low cost. When we do recommend or utilize mutual funds or other funds, we always recommend the use of "no-load" funds to clients.

Clients invested in individual securities may experience commission and brokerage charges for trades made in their accounts by Greylin Investment Management (see Brokerage Practices Section). We attempt to keep these transaction charges low, while still managing client investments in order to meet goals and objectives. Clients may choose any broker they wish to custody their assets and commissions and charges are determined by each particular broker. Greylin Investment Management receives absolutely no compensation as a result of any investment transactions.

We also make it a standard practice to be available for calls or meetings with clients as desired or needed by the client. We do not charge for this time or for consultations, but consider it to be part of our overall investment management services and covered under our fee arrangements.

Potential Conflicts of Interest

In any type of fee arrangement there exists potential conflicts of interest, but we have attempted to minimize them by receiving no compensation for selling investment products or from investment transactions. Our commitment and goals are in line with our clients', namely to minimize costs while increasing the value of their assets over time. However, because we are compensated based on the value of assets, we could conceivably employ a "swing for the fences" investment approach where only high risk investments were made in order to get high returns and boost our fees without worrying about the higher risks and potential for losses that these investments would carry. This type of approach would likely result in longer term failure as higher risk investments surely would suffer some significant losses over time and cause account values and Greylin Investment Management fees to decline. We think our history of investment management and steady growth in account values over long periods of time are indicative of our more conservative approach toward investing. We especially focus on stock investments which are less volatile and work constantly to reduce risks in portfolios without reducing return potential.

In analyzing client investments and assets outside of our investment management responsibilities, we have a conflict of interest in that we would benefit by increasing the assets under our management. For example, this conflict means we would benefit by recommending a client roll over their 401K assets into an IRA Rollover that we would manage and charge fees for those services. We attempt to minimize this conflict, or at least elaborate on that conflict, by explaining the costs under each scenario and also the other pluses and minuses of the decision so the client can make a more informed decision. We also mail a copy of our Form CRS dated June 22, 2020 (or most recent updated version), to any prospect, a client with a new account, or client who has asked us to evaluate their situation regarding an account transfer or investment decision as to whether they would benefit from our investment management services compared to their current situation.

PERSONAL INVESTMENT MANAGEMENT SCHEDULE OF ANNUAL FEES

There is an annual management fee based on the market value of the account assets consisting of stocks, bonds, notes, mortgages, cash and other assets as follows:

Rate	Current Market Value
1.00% on first	\$ 500,000
.75% on next	\$ 500,000
.50% on next	\$4,000,000
.25% on balance over	\$5,000,000

All fees quoted herein are payable to Greylin Investment Management, and are customarily deducted from the account on a monthly basis.

Cash Management

Available cash balances are invested daily to the nearest \$1 in a short term investment fund while awaiting distribution, long term investment or security settlement. There is no additional charge for this cash management service performed by the custodian of the assets.

Brokerage Commissions

It is our policy to keep brokerage commissions costs to a minimum. These commissions are considered a cost of investment management and shall be paid by the client as they are incurred. Greylin Investment Management derives absolutely no benefit or income from commissions.

Applicability of Fee Schedule

Circumstances may arise necessitating a revision of the foregoing fee schedule. It is our continuing objective to maintain a schedule of fees which will consistently be fair and reasonable in relation to the responsibility assumed and the duties performed.

IRA ROLLOVER ACCOUNTS SCHEDULE OF ANNUAL FEES

There is an annual management fee based on the market value of the account assets consisting of stocks, bonds, notes, mortgages, cash and other assets as follows:

Rate	Current Market Value
.75% on first	\$ 500,000
.50% on next	\$1,000,000
.25% on balance over	\$1,500,000

All fees quoted herein are payable to Greylin Investment Management Inc., and are customarily deducted from the account on a monthly basis.

Cash Management

Available cash balances are invested daily to the nearest \$1 in a short term investment fund while awaiting distribution, long term investment or security settlement. There is no additional charge for this cash management service performed by the custodian of the assets.

Brokerage Commissions

It is our policy to keep brokerage commissions costs to a minimum. These commissions are considered a cost of investment management and shall be paid by the client as they are incurred. Greylin Investment Management derives absolutely no benefit or income from commissions.

Applicability of Fee Schedule

Circumstances may arise necessitating a revision of the foregoing fee schedule. It is our continuing objective to maintain a schedule of fees which will consistently be fair and reasonable in relation to the responsibility assumed and the duties performed.

Minimum Asset Requirements

Officially our minimum account size for clients is \$1,000,000, but we have multiple exceptions to this based on the fact that we have an unofficial agreement with clients that we will gladly help out certain family members of any client that has the need for our investment management services. We will manage new family member accounts (of existing clients), assuming we are confident that we have the time and resources to accept the additional account(s) without sacrificing the service level and attention our existing client base deserves. We occasionally accept very small accounts for minors or other special purposes in order to assist clients in those areas of need. Overall, our acceptance of new client relationships—other than family members of existing clients—has been extremely limited over the past ten years and is likely to be even more so in the future. This is strictly due to the fact that we do not want to grow to be too big and unresponsive to client needs, and therefore our ability to serve existing clients precludes our ability to expand.

General Client Characteristics

The vast majority of Greylin Investment Management clients is individuals and couples who have a high net worth with investable assets of \$1,000,000 or more. These clients tend to be middle aged or older, with investment objectives focused on growing their assets and future income streams without excessive risks and volatility. Many have accumulated assets over long time periods and want to be sure they are managed in a prudent fashion, but also want to see improvements in values over time while protecting their purchasing power.

Although most of our clients are individuals, we also manage accounts for retirement plans, trusts and estates, foundations, small businesses, and charitable or school accounts.

Methods of Investment Analysis

We do most of our research internally while relying on various sources of information. Our main sources of information come from company financial reports and 10-K statements, business and financial magazines and web sites, research services provided by others, and company presentations and press releases. We focus heavily on fundamental analysis of a company's financial performance over long time periods. We also focus on qualitative factors such as a company's product profile, market position, and management abilities. Industry analysis plays an important part in determining an investment's attractiveness in light of the outlook for an industry's growth, barriers to entry, pricing power and potential threats to those industry dynamics in future time periods. We utilize a variety of information sources to gather this information, but make it a practice to use our own independent thought process in evaluating the future potential for any investment in light of these factors and given the price of the investment.

Investment Strategies

Greylin Investment Management focuses on asset allocation for accounts since it has the greatest impact on future income, returns, volatility and risks. It is the most important factor in determining overall investment results. Given the greater returns that stocks offer over longer time periods compared to bonds and cash, we have a bias for greater stock weighting in portfolios—assuming client cash needs and risk parameters are carefully considered.

We tend to avoid “market timing” and remain almost fully invested at all times. Although we tend to select fairly conservative stocks for investment, we do tend to heavily weight stocks in portfolios for their superior longer term returns. We occasionally will raise cash levels to meet expected distribution needs, but we never go to almost all cash in anticipation of large stock market declines. The track records of money managers who attempt to time market moves are spotty and inconsistent at best. Even if they are successful for a short period, longer term results are almost always disappointing.

We utilize a variety of investment styles and types of securities in order to lower risks and volatility while providing more balanced and consistent performance results over longer time periods. We focus particularly on a value analysis of any investment we make. This involves a fundamental evaluation of what we are getting in value given the current price of the investment. Many describe this approach as “value investing”. We would argue that all investing should be value investing. Determining a business’ value based on its characteristics and financial performance is critical to evaluating whether it is a good investment at the prevailing market price. We also buy growth stocks, but only if the current price is low enough to provide reasonable returns given the most probable growth expectations. We particularly like stocks which have a growing dividend stream because a bird in hand is worth two in the bush. However, we are happy to also buy non-dividend stocks if the price to value comparison is especially favorable.

We tend to emphasize the stocks of larger, more established companies with the following attributes:

- Leading market positions (preferably worldwide) in products or services which offer longer term growth potential. We prefer companies with more assured growth—even if the growth rates are lower, rather than less assured, high growth speculations.
- Capable management with an established track record of making decisions for the long term benefit of shareholders
- Solid financial profile which allows the company to weather difficult periods while still investing for longer term growth, taking advantage of opportunities, and increasing dividends over time

We attempt to limit excessive trading. Occasional trades make sense, but these moments are usually infrequent. If an investment declines and the long-term outlook still remain promising, we would

rather buy more rather than sell and search for a replacement investment with equally good or better prospects.

Our value approach to all investments means that we tend to be somewhat contrarian in our evaluation of investment opportunities. However, we would emphasize that being contrarian just to go against the prevalent market opinions is not a smart strategy *unless you are right*. We try to be right more than we are wrong. We therefore tend to buy bonds when interest rates and yields are high, we buy stocks when they are depressed and expectations are low, and we buy more defensive investments when these conditions are not in place.

Risks

Multiple risks are involved with most investment strategies and approaches. Our approach has several key risks for Greylin Investment Management clients:

- Clients are dependent on the investment analysis and decisions of one person: Greg Parkinson. There is no team of advisors with different perspectives and experience. Therefore, any error in his judgment can result in costly losses in portfolio values. We attempt to minimize the investment disappointments, but they still occur from time to time. On the flip side, the investment decision process is generally more consistent and decisions can be made quickly and implemented when opportunities appear. Any investments made are well understood by the person making them.
- Our strategy of remaining almost fully invested at all times can mean greater periods of volatility when market conditions change. Although we try to plan for anticipated and unanticipated events, this investment strategy can cause us to miss out on taking advantage of very attractive declines in certain investments due to a lack of investable funds. We still think longer term results will be better using this strategy rather than trying to guess the timing of market movements.
- Because we use a variety of investment styles, and because we tend to purchase larger, more established companies, our stocks may under perform the broad market indices during periods of sharply-rising stock prices. However, we also will tend to out perform market indices during stock market declines. In the long run, most of our clients seem to prefer this less volatile return pattern.
- Value stocks can remain cheap for a long time or even get cheaper before eventually recovering. The risks of buying a cheap stock too soon and waiting years for an improvement in value is a serious one. We attempt to look for catalysts likely to spur a change in value before purchasing, and higher dividend yields are often in place which help offset a stagnant stock price.
- All investments have risks of one kind or another. We attempt to fully explain those risks to clients and understand their concerns and needs in light of the risks involved when utilizing different investment securities.

Arrangements with Other Financial Industry Participants

Greylin Investment Management will on occasion recommend accountants or estate planning attorneys to clients who request recommendations in those areas. We will offer suggestions based on our knowledge of reputable professionals in those or other related financial fields. However, we receive no financial or other benefit from such recommendations.

Conflicts of Interest

As a result, we see no conflicts of interest in making these recommendations of competent advisors in related financial and legal fields. We encourage feedback from clients regarding the quality of work performed and make recommendations only of those firms which have done a superior job for clients in the past. Our only benefit is having a happy client who has been well served.

Description of Code of Ethics

Greylin Investment Management has a Code of Ethics which is available upon request. It outlines a strict code that requires all employees to comply with existing laws and regulations. It also outlines important issues on favoritism, insider trading, personal financial interests, trading and trade allocations. Employees are prohibited from participating in any Initial Public Offerings (IPOs) Private Placements, limited securities offerings, options or futures. Employees are limited in their outside activities and must disclose all personal investments and trading activities. When employees recommend or buy or sell securities for client accounts that they also may buy or sell for their own accounts, it is our practice that these trades be made only in large, highly-liquid securities, and that any transactions made are at or about the same time and at the same price.

All client information is strictly confidential and must be secured and protected.

Privacy Policy Procedures

Greylin restricts access to all client and client account information by taking the following steps:

All client account applications, information and correspondence are kept in clients files under lock and key. Access to these files is available only to Linda or Greg Parkinson, and they are maintained in a secure location at all times.

Greylin has state-of-the-art security and monitoring systems for the Greylin office and all records.

All computer access is limited by utilizing complex boot passwords to prevent physical intrusion. Numerous firewall systems are also utilized to prevent electronic intrusion.

Custodians of client assets have additional security systems in place to protect confidentiality and privacy of client accounts. All access to these records is strictly limited, utilizing multiple security password levels and control systems.

Greylin limits the amount of client information that is disclosed to unaffiliated third parties. Occasionally we utilize outside unaffiliated bond brokers to buy and sell certain fixed income securities for our clients. In those cases, we provide only the client name, address and Schwab account number.

Conflicts of Interest on Investment Recommendations

Occasionally, Greylin Investment Management will recommend investments for clients which are owned by Greylin Investment Management employees. These investments are large companies with a very active and liquid market where any trades made by Greylin Investment Management have little or no impact on stock prices. Trading in any less liquid securities owned by employees which would impact client account purchases or sales is prohibited.

Personal Trading and Conflicts of Interest

Greylin Investment Management employees are allowed to invest in the same securities that are recommended to clients. On occasion, these securities may be traded at or near the same time as those for clients. Again, the companies involved are large with extremely liquid markets where small trades involved have no real impact on the prices paid or received. Every effort is made to avoid conflicts of interest where trades being made by employees would have any impact on the prices paid or received by clients.

Brokerage Selection

Clients may select any broker they desire to custody their assets, as Greylin Investment Management does not hold any client assets. We urge clients to consider using the custody services of Charles Schwab & Co Institutional. We have found they do a good job as custodian, offer a wide selection of investment choices, have state of the art internet and web site capabilities, and have very reasonable fees and commissions compared to most other well established custodians.

Soft Dollar Practices

Greylin Investment Management has a firm policy to pay directly for research and financial information used in analyzing investment opportunities. Therefore, we do not have any “soft dollar” arrangements with any firms. Through our association with Charles Schwab Institutional, we do receive computer downloads of client account activities and positions as well as tax related reports. We also utilize Schwab’s trading platform and related services. These are services that Schwab provides without fees or any required business commitments from Greylin Investment Management. Greylin Investment Management benefits from the consistency and ease of operating on the Schwab systems for almost all of our accounts, but Greylin Investment Management continues to monitor other custodial alternatives and still is confident that Schwab’s total service package is one of the best available for clients. Any client is free to use another broker or custodian that they might desire for trading and custodial services.

Client Referrals

Greylin Investment Management has no client referral arrangements with any other firm or entity. We typically have grown our client base through the referrals of exiting clients who have been satisfied with our investment management services.

Directed Brokerage

Greylin Investment Management has occasionally had clients who were interested in directing the trades in their accounts to a specific broker for execution. Although we will accommodate these requests, we make it a point to let the client know that these arrangements often are more costly in terms of trading costs for them and may result in less favorable trade execution in their accounts.

Trade Aggregation

Occasionally, when large amounts of a stock are being bought or sold, or when investment market or individual investment security prices are likely to be volatile, Greylin will bunch the trades within its master account and then allocates those trades to the respective client subaccounts for which they were bought or sold. This procedure is done in such a manner to ensure fairness and a uniform price for all purchases or sales. Aggregate trades are used at the discretion of the Chief Investment Officer, only when it is in the best interest of all affected accounts.

* All aggregated trades are the summation of individual account trades which are developed after a thorough review of each account's investment objectives, diversification, tax considerations, cash levels, and other client preferences.

* No client is favored over any other in connection with participation in such aggregated orders.

Note: If a client happens to request a trade in a security where an aggregated trade is taking place, but their account has not been included, we will execute that trade at the then-prevailing trading price (outside of the aggregated trade).

* Each client that participates in the order does so at the average price for all transactions and based on their individual commissions for the trade placed in their account.

* An aggregated order list is used to enter and allocate these trades based on the number of shares for each account involved.

* Greylin does not benefit financially from aggregating orders. The purpose of doing so is to ensure a fairer and more uniform price for all accounts than would be available by not aggregating certain orders.

All allocations are made promptly on the day in which the trade is executed.

Examination of Client Accounts

Client accounts shall be reviewed at least monthly, on a portfolio analysis basis. In addition, cash levels shall be reviewed each day by Mr. Parkinson to ensure that no irregularities or abuses have occurred. At that time Mr. Parkinson reviews the transactions from the previous day's business to ensure that all transactions occurred in the proper accounts and were filled as requested.

Additional client account reviews may occur periodically depending upon:

- Economic and investment market events
- Decisions to reduce holdings in particular securities based upon company events or investment research and analysis.
- Decisions to add positions in particular securities based upon company events or investment research and analysis.
- Decisions to adjust portfolios based upon risk levels, tax issues, or income and disbursement requirements.
- Client communication indicating the desire to make certain changes, or the alteration of investment objectives and goals.

Compensation for Client Referrals

Greylin Investment Management has no agreements to compensate any individual or firm for client referrals. Historically we have obtained most of our clients as a result of referrals from other clients who are pleased with our investment management services.

New Client Additions

Each new client account shall have the proper paperwork completed as required by the custodian. Once accuracy and completeness has been verified, it is faxed or delivered to the custodian for account opening. Once the custodian provides an account number, the operations manager will note that number on each copy of the application, retain one for Greylin Investment Management's records, and forward the other to the client for their records.

In addition to the custodian's required paperwork, all new Greylin Investment Management clients are provided with a Greylin Investment Management Brochure and Brochure Supplement, most recent CRS Form, Scope of Greylin Investment Management Services, Basic Investment Principles, a recent "Investment Update", appropriate fee schedule(s), Privacy Policy, and Proxy Voting Policies if applicable. They also are requested to read and complete Greylin Investment Management's Disclosure Statement and Investment Advisory Agreement. A copy of all signed documents is provided to the client for their records, and the originals of these are kept in their Greylin Investment Management files.

At such time as the account has been established at the custodian's office, the operations manager will then ensure that the account is properly set up on Greylin Investment Management's portfolio management software.

Custodian Account Statements

The custodian for each account managed by Greylin Investment Management sends monthly or quarterly statements to the client outlining all assets, income, withdrawals, fees, and other activities that occurred in the account during the respective time period.

Greylin Investment Management Account Statements

Greylin Investment Management sends all clients a quarterly investment report. Our reports show cost and market information regarding security values, estimated annual income, quarterly and historical performance results compared to pertinent stock, bond or other indices, tax-related information, and other pertinent information which the client might need or desire from time to time.

Comparing Statements for Fees and Activities

All quarterly reports that are sent out to Greylin Investment Management clients have the following message on the cover page that is sent with those reports:

“Clients are encouraged to review all statements from both Greylin Investment Management and the custodian of client assets in order to detect any discrepancies and to monitor any trade activities as well as the proper accounting for account distributions, including fees and expenses.”

Discretionary Authority

Greylin Investment Management has discretionary authority over all of the accounts and assets under its management. This allows Greylin Investment Management to make trades and conduct other activities associated with the investment management aspects of those accounts.

Limitations to Discretionary Authority

Certain limitations are in place on the activities that Greylin Investment Management is allowed to perform because Greylin Investment Management has only a *Limited* Power of Attorney for accounts. Any withdrawals from the account (other than for fees) are allowed to go only to the account holder's address of record or other accounts owned by and approved by the account holder. Distributions to any third parties must be specifically approved in writing by the account holder before hand.

Greylin Investment Management's degree of investment authority is fairly complete, but we make it an established practice at the beginning of each new account relationship to discuss any investment recommendations and changes to be made with clients before making those changes. Over time as the client becomes more comfortable with our investment approach and procedures, they will often indicate that there is no need to continue to discuss every investment decision being made. All clients receive either paper or electronic confirms for all trades in their account, and if they have any questions or comments, we welcome the input and appreciate their guidance on what they like or have concerns about.

We have clients across the spectrum in terms of how involved or uninvolved they would like to be in the investment management process and in making specific investment decisions. Most would prefer to establish overall guidelines, objectives and expectations and let Greylin Investment Management implement the discussed programs to reach those goals without constant communication needed. Others want to discuss each and every change before hand, and understand the intricacies of each investment decision. We are happy to accommodate each client with as much or as little communication and participation in the investment management process that they desire.

Client Election on Voting Securities

Greylin Investment Management routinely votes proxies and reorganization issues for clients. In doing so, guidelines are followed that are deemed to be prudent and in the long term economic best interest of Greylin Investment Management clients and their investments.

Greylin Investment Management's responsibility for voting any particular client's proxy or reorganization issue is clearly defined in the account application paperwork when the account is initially established. Any accounts which vote their own proxies are noted by the custodian so that proxies are mailed directly to them.

The voting of all proxies and reorganization issues are the responsibility of Mr. Parkinson, and the proxy voting policies are designed to ensure flexibility for the management of businesses owned, while providing reasonable controls and protections of clients' best interests and economic well being.

Proxy and Reorganization Voting Policies and Procedures

One of the investment management services that we provide for our clients is the voting of proxies and reorganizational issues for stocks, bonds and mutual funds. Over the years we have developed and implemented a rather complete set of policies and procedures in this area to which we adhere in order to represent our clients' best interests in these matters. Enclosed please find a summary of our Proxy and Reorganization Voting Policies and Procedures for your information.

We constantly monitor the various issues involved in good corporate governance, and make every effort to incorporate the best practices in our voting policies. We will continue to be active in using our proxy votes to try to encourage managements to produce the best results for you as shareholders, while setting limitations so as to avoid the abuses of corporate governance that we have all witnessed in the past.

Greylin routinely votes proxies and reorganization issues for clients. In doing so, guidelines are followed that are deemed to be prudent and in the long-term economic best interest of Greylin clients and their investments.

Greylin's responsibility for voting any particular client's proxy or reorganization issue is clearly defined in the account application paperwork when the account is initially established. Any clients who elect to vote their own proxies will receive voting proxies by mail, while others can elect to receive "information only" copies.

The voting of all proxies and reorganization issues are the responsibility of Mr. Parkinson, and the following policies are designed to ensure flexibility for the management of businesses owned, while providing reasonable controls and protections of clients' best interests and economic well being.

Although we do not anticipate or expect any conflicts of interest on these voting issues, all potential conflicts would be resolved by following these steps to make sure the clients' best interests are paramount in any conflict of interest:

- 1) All proxies and reorganization issues are voted according to the written policies and procedures stated herein. There are no exceptions unless the client(s) specifically request that their shares be voted in a manner that differs from stated policy.
- 2) If a conflict of interest on an issue not covered by policy is encountered, Greylin will rely on the recommendation or findings of an independent proxy voting service (such as Institutional Shareholder Services) to guide their voting decisions.

* * *

The following proxy issues presented by management or shareholder resolution shall be voted upon Board of Directors' recommendation:

- Executive compensations plans (unless excessive relative to long-term performance)
- Employee benefit plans
- Election of directors (we will vote against a specific director nominee if they are not qualified or have an unscrupulous track record)
- Limitations on director's length of service and mandatory retirement age
- Board size
- Approval of auditors
- Name change
- Annual meeting location and date
- Legal fees
- Political contributions and activities or lobbying reports
- Charitable contributions
- Directors' liability policies
- Director, officer and employee indemnification
- Directors' attendance
- Human rights
- Public safety
- Environmental concerns
- Nuclear weapons
- Foreign policy
- Minority economic opportunities
- Gender discrimination plans
- Gender pay gap proposals (as long as management has programs in place to guard against unequal compensation based upon gender)
- Performance-based options which are linked to an index, or to a specified target price for the period, or those which are premium priced
- Compensation plans which are not deemed to be unreasonable relative to industry norms
- Naming an independent Chairman of the Board of Directors (or a person other than the CEO)
- Voting on shareholder proposals which exclude abstentions from the vote count
- Indexed stock options
- Genocide-free investing
- Increase in authorized common or preferred shares (unless for amounts many times in excess of needs for normal business activities, i.e. for mergers or stock splits over a one to two year period).
- Proposals designating exclusive forum provisions for certain legal actions

The following proxy issues shall be voted *FOR*:

- Shareholder advisory vote on executive compensation (with an annual approval process)
- All non-binding votes on executive compensation plans are effective only if voted on annually, and therefore we will indicate our preference for these votes to occur every year when possible
- Restriction of Board members sitting on more than 3 boards if CEO or member of executive management, or more than 7 boards if retired or not fully employed

- House holding election
- Minimum share ownership for directors (as long as requirements are not excessive)
- Abstention votes are not counted as “yes” or “no” votes in tallying vote totals
- Majority votes are favored over all resolutions favoring greater than majority approval
- Declassification of board of directors (annual election of all directors)
- Require shareholder vote on any repricing of options or stock grants
- Require shareholder vote on any “rights” plan
- Expensing of stock options as an expense
- The limitation of all severance agreements for executives at no more than three times their annual compensation unless put to a shareholder vote.
- Election of directors by majority vote (unless company has provisions in place for directors to tender their resignation to the board if not elected by a majority vote)
- Allow majority of shareholders to amend bylaws
- Allow a special shareholder meeting by written consent (without a physical meeting), provided the consent is signed by stockholders representing at least 20% of all shares eligible to vote
- Proxy access requirement to nominate directors with provisions dictating beneficial ownership of at least 3% of the outstanding stock for at least a 3-year continuous holding period by no more than 20 shareholders aggregating their shares seeking access. Shareholder-nominated directors will comprise no greater than 20% of all directors.

The following proxy issues shall be voted *ABSTAIN*:

- Authority to vote in management’s discretion on such other business matters that come before the annual shareholders meeting
- Authority to delay vote or meeting in order to accumulate additional votes or items needed for resolution of agenda

The following proxy issues shall be voted *AGAINST*:

- Poison pill provisions
- Minimum price and supermajority voting
- Fair price provisions
- Confidential voting
- Purchase rights plans
- Two or more nominees for each board seat
- Pension plans for directors
- Immediate sale of the company
- Cumulative voting
- Restrictions on use of auditors for consulting purposes
- Company funds to pay for alternative director campaigns
- Special meeting provisions requiring less than 25% shareholder approval
- Election of director to represent retired workers

* * *

All reorganization, spin-off, and merger votes are evaluated using financial and investment analysis, as well as other tax-related evaluations, to determine the best decision for the short and long-term best interests of each specific client concerned.

Client Direction on Particular Votes

Greylin Investment Management has the capability to direct an individual's particular vote if that client has opinions on any issue, reorganization, or merger which differ from our state policies or planned voting intentions on a certain issue. We accommodate those requests on a case-by-case basis.

Conflicts of Interest

Although we do not anticipate or expect any conflicts of interest on these voting issues, all potential conflicts would be resolved by following these steps to make sure the clients' best interests are paramount in any conflict of interest:

- 1) All proxies and reorganization issues are voted according to the written policies and procedures stated herein. There are no exceptions unless the client(s) specifically request that their shares be voted in a manner that differs from stated policy.
- 2) If a conflict of interest on an issue not covered by policy is encountered, Greylin Investment Management will evaluate and institute a formal proxy policy pertaining to the issue, or rely on the recommendation or findings of an independent proxy voting service (such as Institutional Shareholder Services) to guide any associated voting decisions.

Records of Historical Voting

All historical proxy and reorganization votes are recorded and kept by calendar year. These records are maintained for the benefit of those clients who make a request to see how we have voted their shares on their behalf.

Financial Information

Greylin Investment Management does not have any financial condition or issues which would be likely to impair our ability to meet contractual commitments to clients and our discretionary authority over client assets.