



## Proxy Voting Policy for Social Index Funds

*Policies for Governing Fund Delegation of Proxy Voting of Portfolio Securities*

July 1, 2011

## I. Introduction

The iShares Trust (the “Trust”) has approved separate proxy voting guidelines for the iShares MSCI KLD 400 Social Index Fund and iShares MSCI USA ESG Select Social Index Fund (the “Social Index Funds”) and has delegated to RiskMetrics Group (“RMG”) the responsibility for voting proxies on the portfolio securities held by the Social Index Funds. This Policy is a high-level overview of the guidelines approved by the Trust.

## II. Proxy Voting Policies

The Social Index Funds maintain proxy voting guidelines consistent with the principle that “socially responsible” shareholders are concerned not only with economic returns and sound corporate governance, but also with the ethical behavior of corporations and the social and environmental impact of their actions. With respect to social and environmental matters, the Social Index Funds’ proxy voting guidelines seek to reflect a broad consensus of the socially responsible investing community. The guidelines are based on a commitment to create and preserve economic value and to advance principles of good corporate governance, consistent with responsibilities to society as a whole. The Social Index Funds vote (or refrain from voting) proxies in a manner that is consistent with these principles. In some cases, it may be in the best interest of shareholders of the Social Index Funds to refrain from exercising the Social Index Funds’ proxy voting rights. The Social Index Funds’ proxy voting guidelines provide detailed guidance as to how to vote proxies on certain important or commonly raised issues. RMG, as proxy voting agent for the Social Index Funds, will vote (or refrain from voting) on specific proxy issues in accordance with the Social Index Funds’ proxy voting guidelines. The guidelines permit RMG to consider certain proposals on a case-by-case basis and to vote on such proposals based on various factors, including an examination of the proposal’s merits and consideration of recent and company-specific information. The Social Index Funds vote (or refrain from voting) proxies without regard to the relationship of the issuer of the proxy (or any shareholder of such issuer) to the Social Index Funds, the Social Index Funds’ affiliates (if any), BlackRock Fund Advisors (“BFA”) or BFA’s affiliates, or the Distributor or the Distributor’s affiliates.

With respect to certain specific issues:

- The Social Index Funds vote on the election of directors on a case by case basis. The Social Index Funds generally oppose slates of director nominees that are not comprised of a majority of independent directors and withhold votes from non-independent directors who sit on key board committees;
- The Social Index Funds generally support social, workforce and environmental proposals that promote “good corporate citizenship” while enhancing long term shareholder and stakeholder value and proposals that call for more detailed and comparable reporting of a company’s social, workforce and environmental performance; and
- The Social Index Funds generally vote against anti-takeover proposals and proposals that limit the ability of shareholders to act independently of management.

## III. Conflicts Management

RMG seeks to apply the Social Index Funds’ proxy voting policies consistently across all proposals and issues votes strictly according to the Social Index Funds’ policy in order to minimize conflicts of interests. RMG also maintains policies and practices that are designed to neutralize and guard against any conflict of interest that could arise between the issuer of the

proxy (or any shareholder of the issuer) and RMG or RMG's affiliates. In certain instances, RMG may engage a qualified third party to perform a proxy analysis and issue a vote recommendation as a further safeguard to avoid the influence of a potential conflict of interest.

Information with respect to how RMG voted proxies relating to the Funds' portfolio securities during the 12-month period ended June 30 is available: (i) without charge, upon request, by calling 1-800-iShares (1-800-474-2737) or through the Funds' website at [www.iShares.com](http://www.iShares.com); and (ii) on the SEC's website at [www.sec.gov](http://www.sec.gov).

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