T. Rowe Price

2025 TRPIM aggregate proxy voting summary

From the Field

Executive Summary

In this report, we summarize T. Rowe Price Investment Management's proxy voting record for the 12-month reporting period ended June 30, 2025.[1] Our goal is to highlight some of the critical issues in corporate governance during the period and offer insights into how we approach voting decisions in these important areas. This report is not an all-inclusive list of each proxy voted during the year but is instead a summary of the year's most important themes.

Christopher Whitehouse
Head of ESG, T. Rowe Price Investment Management, Inc.

T. Rowe Price Investment Management (TRPIM) recognizes and adheres to the principle that one of the privileges of owning stock in a company is the right to vote on issues submitted to a shareholder vote. True to our fiduciary obligations to clients, we support actions that we believe will enhance the long-term value of a company and oppose actions and policies that we see as detrimental to value.[2] To reflect this, we vote each proxy using internally developed guidelines and policies, while also recognizing individual circumstances. To arrive at the best judgment, we leverage the expertise of our corporate governance experts and financial analysts, with portfolio managers maintaining ultimate responsibility for voting on behalf of their clients.

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[1] This document is not applicable to T. Rowe Price Associates, Inc., and its investment advisory affiliates including Oak Hill Advisors, L.P. (OHA), a T. Rowe Price company since December 31, 2021. TRPIM votes proxies independently from the other T. Rowe Price-related investment advisers and has adopted its own proxy voting guidelines. This material is for informational purposes only and is not intended as an offer or recommendation concerning investments, investment strategies, products or account types.

[2] The registered investment companies to which TRPIM serves as investment adviser as well as other investment advisory clients have delegated to TRPIM certain proxy voting powers. As an investment adviser, TRPIM has a fiduciary responsibility to such clients when exercising its voting authority with respect to securities held in their portfolios.

2025 voting outcomes

The table below is a broad overview of our voting actions, grouped into appropriate categories of interest, which we describe in more detail later in the report.

(Fig. 1) Summary of major proposal items

	% Voted With Management	% Voted Against Management	% Declined to Vote
Proposals Sponsored by Management			
Adopt, amend, or repeal takeover defenses	97	3	—
Appoint or ratify auditors	99	1	—
Capital structure provisions	99	1	—
Compensation issues			
i. Director/auditor pay	96	4	—
ii. Employee stock purchase plans	100	—	—
iii. Equity plans	94	6	—
iv. Say on pay	95	5	—
Elect directors	90	10	—
Mergers and acquisitions	100	—	—
Amend/enhance shareholder rights	100	—	—
Routine operational provisions	81	19	—
Proposals Sponsored by Shareholders			
Remove takeover defenses	40	60	—
Amend compensation practices	100	—	—
Director related/appoint independent board chair	71	19	10
Amend/adopt shareholder rights	78	22	—
Environmental proposals	96	4	—
Social issues proposals	96	4	—
Political activity proposals	80	20	—
Environmental, social, and governance counterproposals	100	—	—
Totals			
Total management proposals	92	8	—
Total shareholder proposals	84	14	1

Figures are rounded to the nearest whole number.
TRPIM endeavors to vote every ballot that we are eligible to cast. On rare occasions, for technical reasons, we submit ballots with instructions not to vote. Primarily, these are situations where (1) there is a contested election with multiple ballots and we can only vote on one, or (2) investors in certain countries must give up their ability to trade their shares in order to vote.

Themes from vote results—2025 in summary

We consider the 2025 proxy season through two lenses—those of management proposals and those of shareholder proposals. During the year, management proposals received similar levels of support compared with 2024, both from TRPIM and the broader market. Shareholder proposals, on the other hand, were marked by both significantly lower support levels and a reduction in number—influenced by rule reinterpretation by the U.S. Securities and Exchange Commission (SEC), the legal landscape in the U.S., and changes in proxy advisers' stances. At TRPIM, we continued to view shareholder proposals through the same lens as we do all our activities—as a fiduciary to our clients. As such, our approach is to vote every proposal through the lens of what we believe is in the best long-term interests of the company.

Election of directors

On the key category of director elections, our support level for directors was slightly lower at 90% in 2025 compared with 91% last year. This reflects additional companies coming into scope of policies where we generally withhold support for accountable directors, such as our classified board policy, by virtue of the company's increasing time since initial public offering. We see seven years as a reasonable period for the soft protection from takeovers and activism afforded by a classified board. This increase in the number of in-scope directors was largely offset by improved governance at other holdings such as board declassification and fewer cases that required us to escalate our concerns through the vote to Compensation Committee members.

The majority of our withholding of support for directors stems from our approach to long-term classified boards, as well as our approach to companies where dual-class voting shares confer a material misalignment between voting influence and economic ownership. In these circumstances, we generally withhold support for the directors we see as principally responsible for our interests in this area (Governance Committee members and the lead independent director or chair). Our opposition to long-term classified boards is rooted in our belief in annual accountability as well as the removal of a soft takeover defense. While a period of time to allow for a certain level of maturity of a business model is appropriate for companies that are new to the market, it is not in our interest that companies be afforded this soft takeover defense indefinitely.

These policies complement our existing approach to assessing a board's composition and includes factors such as level of independence, balance of tenure, and diversity (measured through multiple lenses). Where there is cause for concern, we vote against the reelection of individual directors; the members of a key board committee; or, in some cases, the entire board. Examples of situations where we believe shareholders are best served by voting to remove directors include:

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- failing to remove a fellow director or respond appropriately to the root concern where a director received less than majority support in the prior election.
- failing to substantively implement a shareholder resolution that was approved by a majority vote in the prior year.
- adopting takeover defenses or bylaw changes that we see as contrary to shareholders' interests.
- a director maintaining multiple directorships—especially if the chief executive officer of an outside company—which could lead to excessive commitments not allowing the director to dedicate appropriate time to company oversight (so-called over-boarding).
- maintaining the decoupling of economic interests and voting rights in a company through the use of dual-class stock without the presence of a reasonable time-based sunset mechanism.
- failing to consistently attend scheduled board or committee meetings.
- maintaining an insufficient level of diversity at the board level.

Executive compensation

In the U.S., the most meaningful signal of shareholders' views on executive pay is through the annual or triannual "say on pay." While this is advisory, focusing only on backward-looking awards, this item targets a central issue—how and why executives are incentivized and compensated—and so it is a key focus of dialogue between companies and shareholders.

We take a nonprescriptive approach to say on pay. However, the key principles of our approach are that pay should be linked to company performance (typically, as measured by shareholder return), especially over a meaningful time frame, and that pay should also be broadly in proportion to the size of the company, referenced to the market value and earnings of the company. We prefer named executive officer (NEO) compensation to be majority equity linked rather than cash. Equity awards that are linked to performance, preferably shareholder returns, can also serve to strengthen the linkage between pay and performance. Where financial metrics are used, these should be based on suitably demanding targets, with the targets to be set over appropriate, long-term time periods.

Generally, we observed a trend of improved compensation practices. This is also evident in our increased level of support for say-on-pay proposals, which reached 95% in 2025 compared with 94% last year. Despite generally higher executive pay, our higher support was driven by continued improvement in pay structure and disclosure, fewer excessive awards, and generally strong corporate and share price performance that supports pay versus performance alignment, a foundation of our approach.

Equity compensation plans

We believe that equity compensation and ownership of equity by management is key to promoting alignment between shareholders and management. When analyzing the appropriateness of the equity ask from companies, we view this through various lenses. We look at how appropriately equity has been used in the past with particular attention to "burn" rate (the average annual number of shares issued for awards). We also look at the structure of the NEO award and how widely equity is awarded throughout an organization—with a wider distribution aligning more closely with our interests. A key consideration is also the degree of dilution that we are exposed to as shareholders, as well as plan features, especially those that could lead to outcomes that are incompatible with our interests (such as evergreen renewal features).

In 2025, we generally observed companies making reasonable equity asks and supported 94% of new equity plans and existing plan amendments, an increase from 87% in 2024.

Proxy contests

Proxy contests always require careful company-specific evaluation and engagement. In cases where we believe that a new perspective or change of strategic direction would unlock value, our approach is to support the dissident. During the reporting period in question, there was only one proxy contest that came to the vote, and in this case, we supported the dissident.

Mergers and acquisitions

While we generally vote in favor of merger and acquisition proposals put forward by our investee companies, this follows a careful assessment of the likely value creation that will ensue from the proposed transaction. Exceptions are where we identify that our clients are not receiving full value or where we question the financial or strategic rationale of a transaction. As with all investment decisions, individual portfolio managers have ultimate responsibility and make the decision on behalf of their clients. In 2025, we supported all such proposals in this case-by-case process (compared with a 93% support level in 2024).

Shareholder rights

Our philosophy, as representatives of our clients, is to champion shareholder rights. Happily, we have seen that, in response to shareholder pressure, companies continue to make progress on improving rights, such as by moving to declassify boards and adopting simple majority voting standards. These are proposals that we consistently vote in favor of whether put forward by management or shareholders.

In terms of the ability to call a special meeting, and the appropriate ownership threshold needed to achieve this, our policy is more nuanced and differs from that of some of the main, third-party proxy advisors. Provided that there is an existing ability to call a meeting under provisions that we regard as acceptable (a 25% ownership threshold), we generally do not support shareholder proposals that call for lower ownership thresholds (typically 10%) as we consider this threshold too low, generating undue risk of disruption from a narrow shareholder base. This position accounts for all cases (78% of proposals) where we did not support shareholder proposals calling for an expansion of rights.

Takeover defenses

We consistently vote to limit or remove antitakeover devices at investee companies. We oppose the introduction of shareholder rights plans (so-called poison pills), and we will oppose the reelection of directors at companies that adopt such plans without them being submitted to a shareholder vote. We believe they act as mechanisms that can thwart full value realization, to the detriment of shareholders. Happily, we see companies increasingly moving to reduce antitakeover mechanisms such as supermajority vote requirements. In 2025, we voted to support every proposal of this type. For shareholder proposals on this topic, the vote to eliminate supermajorities recorded as "With" (40% of proposals) or "Against" management (60% of proposals) depended on whether management agreed with the shareholder proposal to move to a simple majority voting standard.

Separate board chair and CEO

While regional standards vary in terms of board leadership, U.S. companies are required to outline and discuss their adopted structure. Our approach mirrors this in that our policy is to examine the need for an independent chair on a case-by-case basis. Factors we consider are the robustness of the lead independent director role, the overall level of board independence, the board leadership structure, and the overall quality of governance. In 2025, there were a number of shareholder proposals targeted at companies where we considered it appropriate to separate the role, supporting 33% of proposals that called for an independent chair. Figure 2 shows marketwide statistics on shareholder proposals. (Note: The table does not show our own voting on shareholder proposals, which is detailed in the previous table.)

Shareholder proposals

(Fig. 2) This year saw a significant reduction in shareholder proposals coming to a vote

U.S. Companies	No. of Proposals 2025	No. of Proposals 2024	% Change no. of Proposals	% Change Support 2025	% Change Support 2024	Support Difference	No. Passed 2025	No. Passed 2024
Total proposals	501	651	-23	23	23	–	–	–
Environmental	75	86	-13	14	21	-7	–	2
Social	108	194	-44	11	16	-4	–	–
Political	28	57	-51	25	23	2	4	1
Governance	244	242	1	35	35	–	47	51
ESG counterproposals	46	72	-36	4	3	1	–	–

July 1, 2024–June 20, 2025.
Voting data are marketwide for U.S. companies.
Source: Bloomberg Finance L.P. Data analysis by TRPIM.

The 2025 proxy season for shareholder proposals was marked by a significant reduction in the number of shareholder proposals coming to a vote. A contributing factor here was the rise in successful no-action requests by companies, a relief granted by the SEC. In February 2025, the SEC highlighted its current approach—determining that a greater number of shareholder proposals either lack economic relevance or deal with the company's ordinary business, and so fall under the purview of the board and management, allowing exclusion.[3]

Despite the lower number, as in previous years, we continued to see many of the proposals of an environmental or social nature brought as either poorly targeted or overly prescriptive or brought by proponents seemingly motivated by reasons outside of fiduciary considerations. This view was also taken by the broader investor base of companies, with marketwide support also continuing to drop for these proposals.

We adopt a nuanced, case-by-case approach to shareholder proposals of an environmental and social nature, with an analysis rooted in fiduciary considerations. Our framework considers the financial materiality of the proposal, as well as factors such as the strength of relevant policies the company has, the disclosure level of relevant data, evidence of controversies in the area in question, and how the company compares with peers.

ESG counterproposals

Looking more closely at the various categories, there was also a reduction in environmental, social, and governance (ESG) counterproposals, originating from the same two or three proponents. This class of proposal seeks a shareholder mandate to roll back certain social or environmental measures or, at a minimum, direct management to report on the benefit. These proposals continued to receive de minimis support. We sided with management 100% of the time in 2025 and did not support any proposals in this category.

Social, environmental, and political proposals

Environmental-related proposals

Environmental-related proposals vary from calls to provide emissions disclosure (which we are generally in favor of because transparency and disclosure helps investors assess risks) to calls for companies to adopt (typically) science-based targets to reduce emissions. This latter type of proposal often calls for time frames that we believe are too short or unrealistic to allow companies to properly evaluate and assess the size and appropriateness of targets. We therefore generally do not support these.

As with all proposals, we assess environmental-related proposals through a fiduciary lens, taking into consideration the company's business model, competitive landscape, and performance in this area. An important consideration here is also our perspective that ultimate accountability and oversight of ESG matters resides with the board of directors. As such, we may express any reservations by withholding support for accountable directors post-engagement. When considering all types of environmental-related shareholder proposals, we supported management 96% of the time.

[3] SEC Staff Legal Bulletin SLB14M.

Social proposals

Regarding shareholder proposals of a social nature, there is generally more variance of topic, though recurring areas of focus deal with issues such as gender and racial pay gaps and overall diversity performance. Again, we find that proposals often overreach, though we are more sympathetic to calls for standardized data disclosure such as EEO-1 data.[4] In an area specific to technology companies, there continued to be proposals around artificial intelligence (AI) where proponents sought safeguards around the oversight and use of AI. We consider that the majority of companies we invest in have appropriate policies and oversight in this area. Further, at this stage of development in this fast-evolving space, it is premature to task boards with asks that are too prescriptive. In 2025, we supported only 4% of shareholder proposals that dealt with social issues.

Political and lobbying activity proposals

A number of proposals continued to ask for transparency on reporting political and lobbying spend. Our approach here is to assess the quality of current disclosure, the strength of a company's policy, and the quality of governance and oversight. If we arrive at a view that there is insufficient disclosure, with a risk of reputational harm, we are then likely to support a call for greater transparency. When considering political and lobbying proposals in total, we supported 20% of these in 2025.

For company-specific voting records for the 12-month period from July 1, 2024, to June 30, 2025, please visit our enterprise website.

[4] EEO-1 data refers to the U.S. Equal Employment Opportunity Commission's (EEOC) mandatory annual data collection that requires all private sector employers with 100 or more employees, and federal contractors with 50 or more employees meeting certain criteria, to submit workforce demographic data, including data by job category and sex and race or ethnicity, to the EEOC.

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