T.RowePrice

Proxy Voting Guidelines

March 2025

Purpose of the Proxy Voting Guidelines

- This document summarizes the proxy voting guidelines of T. Rowe Price Associates, Inc. ("TRPA")[1] and certain of its investment advisory affiliates, collectively referred to as "T. Rowe Price".
- The following pages describe various proxy voting issues and the T. Rowe Price guidelines for them, broken out by three regions - Americas; Europe, Middle East, and Africa ("EMEA"); and Asia-Pacific.
- This document also describes the T. Rowe Price guidelines for proxy voting issues related to Executive Compensation, Shareholder Proposals of an Environmental, Social, or Political Nature, and Management Proposals to Approve Climate Plans ("Say on Climate"), as well as our Governance of Proxy Voting.
- This document contains three different voting policies: (1) The T. Rowe Price custom voting policy, which is applied to our economically oriented funds, (2) Impact, and (3) Net Zero. The Impact portfolios require a separate voting policy because they have two express mandates: competitive financial returns as well as positive social and environmental impact. The Net Zero portfolios require a separate voting policy because they have two explicit mandates: competitive financial returns as well as alignment with Net Zero goals.
- These guidelines are reviewed and updated annually.

Responsibility to vote proxies

- T. Rowe Price 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 shareholder vote.
- The registered investment companies which T. Rowe Price sponsors and serves as investment adviser as well as other investment advisory clients have delegated to T. Rowe Price certain proxy voting powers. As an investment adviser, T. Rowe Price has a fiduciary responsibility to such clients when exercising its voting authority with respect to securities held in their portfolios.

[1] T. Rowe Price includes T. Rowe Price Associates, Inc., and certain of its investment advisory affiliates, which includes T. Rowe Price International Ltd (TRPIL), a wholly-owned subsidiary of TRPA; and T. Rowe Price Hong Kong Limited, T. Rowe Price Singapore Private Ltd, T. Rowe Price Australia Limited, and T. Rowe Price Japan, Inc., each a wholly-owned subsidiary of TRPIL.

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T. Rowe Price Regional Voting Guidelines

The Americas Voting Guidelines apply to companies that are incorporated in Canada, the United States of America, and Central and South America. Some of these guidelines apply to all markets in the region. Where a guideline is country-specific, that will be indicated in the policy below.

Key Voting Guidelines: Americas

Auditor ratification	Generally FOR approval of auditors. However AGAINST ratification of auditors and/or AGAINST members of the audit committee if: – An auditor has a financial interest in or association with the company, and is therefore not independent; – There is reason to believe that the auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position; – The auditor has issued an adverse opinion on the company's most recent financial statements; – A material weakness under applicable accounting rules rises to a level of serious concern, there are chronic internal control weaknesses, or there is an absence of effective control mechanisms; – Pervasive evidence indicates that the committee entered into an inappropriate indemnification agreement with its auditor; or – Non-audit fees are excessive in relation to audit-related fees without adequate explanation.
Auditor indemnification and limitation of liability	Generally AGAINST auditor indemnification and limitation of liability that limits shareholders' ability to pursue legitimate legal recourse against the audit firm.
Election of directors	Generally FOR slates with a majority of independent directors. FOR slates with less than a majority of independent directors if the company has a shareholder (or group of shareholders) who controls the company by means of economic ownership, not supervoting control. We may vote AGAINST individual directors in the following cases: – Inside directors and affiliated outside directors who serve on the board's Audit, Compensation or Nominating committees; – Any director who missed more than 25 percent of scheduled board and committee meetings, absent extraordinary circumstances; – Any director who exhibits such a high number of board commitments overall that it causes concerns about the director's effectiveness at any one of the companies. A director's portfolio of private company board seats is a secondary consideration. Specifically, concerns about overboarding arise with: • Any director who serves on more than five public company boards; or • Any director who is CEO of a publicly traded company and serves on more than one additional public board. – For U.S.-listed companies that have been independent entities (whether by IPO or spinoff) for more than 10 years yet still maintain classified boards, our general guidelines are to oppose the key board members responsible for setting corporate governance standards. After a company has reached a certain level of maturity, our view is it is no longer appropriate to rely on staggered board elections as a defensive mechanism, as these may insulate a company's directors from its shareholders. We may vote AGAINST members of the Nominating and Corporate Governance Committee and the Lead Independent Director (or Independent Chair) in the following case: – For U.S.-listed companies controlled by means of dual-class stock with superior voting rights, our general guidelines are to oppose the key board members responsible for setting corporate governance standards. Over many years of investing in the U.S. equities market, we have reached the conclusion that companies controlled by means of dual-class stock present more disadvantages to long-term investors than any potential advantages unless there is a strong, time-based sunset provision of a reasonable duration. In our view, supporting the re-elections of the Nominating and Governance Committees at such companies sends the message that we are comfortable maintaining their dual-class structures indefinitely. In fact, this is not always the case. If we conclude that the positive attributes of the investment, in total, outweigh the risks, we may maintain an investment in the company despite the dual-class structure.

Key Voting Guidelines: Americas continued

Election of directors

Due to the nature of voting at controlled companies, our opposition to board members carries no possibility of changing the outcome. Nevertheless, we believe this voting guideline is the appropriate way to express our view that permanent control by means of dual-class stock with superior voting rights does not serve the long-term interests of investors.

We may vote AGAINST members of the Compensation Committee in the following cases:

- Company re-prices underwater options for stock, cash or other consideration without prior shareholder approval; or
- Company has demonstrated poor compensation practices, taking into consideration performance results and other factors;

We may vote AGAINST the entire board, certain committee members or all directors in the following cases:

- Directors failed to take appropriate action following a proposal that was approved by a majority of shareholders;
- Directors adopted a poison pill without shareholder approval, unless the board has committed to put it to a vote within the next 12 months;
- Directors exhibit persistent failure to represent shareholders' interests or fail in the oversight of material governance, environmental, or social risks, in the opinion of T. Rowe Price; or
- One or more directors remain on the board after having received less than 50 percent of votes cast in the prior election.

Board diversity policy

Our experience leads us to observe that boards lacking in diversity represent a sub-optimal composition and a potential risk to the company's competitiveness over time.

We recognize diversity can be defined across a number of dimensions. However, if a board is to be considered meaningfully diverse, in our view some diversity across gender, ethnic, or nationality lines must be present. For companies in the Americas, we generally oppose the re-elections of Governance Committee members if we find no evidence of board diversity.

Climate transparency policy

Our Election of Directors policy includes the possibility that T. Rowe Price may choose to oppose directors for failure in the oversight of material environmental risks. Here we provide additional details on the parameters of this policy.

For mature companies in the Americas region operating in industries with the highest carbon intensity, our expectation is these companies disclose, at a minimum, their total annual absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions[2]. Failure by companies in these industries to disclose this data leaves their investors unable to properly analyze their exposure to climate change risk.

To implement this policy, we have identified those companies that are both highly exposed to the impact of climate change and have demonstrated insufficient preparedness for the energy transition. Our screening methodology uses a three-step process:

1) We use the European Union's Sustainable Finance Disclosure Regulation's list of high impact climate sectors to define the scope of companies with high exposure.
2) We use our proprietary Responsible Investing Indicator Model (RIIM)[3] to screen within these sectors for companies that may not be adequately managing their climate risks. As a minimum standard, if companies in these sectors are reporting their Scope 1 and 2 greenhouse gas emissions, they are out of scope for this policy.
3) Finally, we identify any mitigating or idiosyncratic circumstances that indicate it is not appropriate to apply the policy to a company at this time. For example, exceptions may be made for smaller or newly public companies.

[2] Scope 1 (direct emissions from owned or controlled sources), Scope 2 (indirect emissions from the generation of purchased electricity, steam, or cooling) and Scope 3 (all other indirect emissions).
[3] The Responsible Investing Indicator Model (RIIM) rates companies using a traffic light system, measuring their environmental, social, and governance profile and flagging companies with elevated risks.

Key Voting Guidelines: Americas continued

Require independent board chair	CASE-BY-CASE, taking into consideration primarily the views of the portfolio manager as to whether the role of board chair should be a separate position. Secondary considerations include the role of the board's Lead Independent Director and the board's overall composition.
Majority voting	Majority voting is a crucial accountability mechanism. We vote FOR proposals asking the board to initiate the process to provide that director nominees be elected by the affirmative majority of votes cast at an annual meeting of shareholders. Resolutions should specify a carve-out for a plurality vote standard when there are more nominees than board seats.
Proxy contests	CASE-BY-CASE, considering the long-term financial performance of the target company relative to its industry, management's track record, the qualifications of the shareholder's nominees, and other factors. A detailed statement on this topic is available in our publication **T. Rowe Price's Investment Philosophy on Shareholder Activism**. For a copy of this publication, visit www.troweprice.com/esg
Proxy access	T. Rowe Price believes significant, long-term investors should be able to nominate director candidates using the company's proxy, subject to reasonable limitations. Generally, FOR shareholder proposals offering a balanced set of limitations and requirements for proxy access.
Adopt or amend poison pill (management proposals)	Generally, AGAINST. In Canada, a vote FOR will be considered if appropriate shareholder protections are in place.
Amend/rescind poison pill (shareholder proposals)	FOR, unless the shareholders have already approved the pill, or the company commits to giving shareholders the right to approve it within 12 months.
Annual vs. staggered board elections	AGAINST proposals to elect directors to staggered, multi-year terms. FOR proposals to repeal staggered boards and elect all directors annually. Our general perspective is companies with classified boards that have been independent public issuers for a period of more than 10 years should be undertaking a process to transition to full annual director elections.
Adopt cumulative voting	AGAINST
Shareholder ability to call special meetings	FOR proposals allowing shareholders to call special meetings when either (a) the company does not already afford shareholders that right, or (b) the threshold to call a special meeting is greater than 25 percent. AGAINST proposals to reduce the threshold of shareholders required if the company has in place a standard of no more than 25 percent. AGAINST proposals to restrict or prohibit shareholders' ability to call special meetings.
Shareholder ability to act by written consent	Generally, AGAINST shareholder proposals requesting the right to shareholder action by written consent. Written consent is not a fair or effective means of enabling investor access.
Simple majority vs. supermajority provisions	AGAINST proposals to require a supermajority shareholder vote. Generally FOR proposals to adopt simple majority requirements for all items that require shareholder approval.

Key Voting Guidelines: Americas continued

State or country of incorporation	CASE-BY-CASE on domestic, state-to-state reincorporations. AGAINST proposals to reincorporate offshore. FOR proposals that call for companies incorporated in offshore tax havens to reincorporate in the United States. AGAINST shareholder proposals to move incorporation from one state to another.
Dual-class equity	AGAINST proposals that authorize the issuance of shares that would create disproportionate voting rights. FOR proposals to implement a capital structure with one share, one vote. For additional context, see above our guidelines on director elections at companies controlled by means of dual-class stock.
Authorization of additional common stock	CASE-BY-CASE
Reverse stock split	Generally, FOR proposals where there is a proportionate reduction in the number of authorized shares.
Preferred stock	Generally, FOR proposals to create a class of preferred stock where the company specifies acceptable voting, dividend, conversion and other rights. AGAINST proposals to create a blank check preferred stock with unspecified voting, dividend, conversion, and other rights.
Director compensation	Generally FOR proposals to award cash fees to non-executive directors, unless fees are excessive. Generally FOR director equity plans that are subject to reasonable stock ownership guidelines, have an appropriate vesting schedule, represent a prudent mix between cash and equity, provide adequate disclosure and do not include inappropriate benefits such as post- retirement payments or executive perks.
Mergers, acquisitions and corporate restructurings	CASE-BY-CASE. The view of the portfolio manager is a primary consideration.
Adjourn meeting or other business	AGAINST, as the company should abide by the vote results as of the date of the meeting.
Shareholder proposals related to political spending and lobbying	CASE-BY-CASE, if we believe the decision to engage in political or lobbying activities poses a unique risk for a particular company and it is unclear whether the board oversees and monitors such risk adequately, T. Rowe Price will generally support shareholder resolutions seeking additional disclosure. A company's level of disclosure on this issue relative to its peers is a consideration.
Shareholder proposals of a social or environmental nature	It is T. Rowe Price policy to analyze every shareholder proposal of a social or environmental nature on a CASE-BY-CASE basis. See the section labeled **Guidelines for Shareholder Proposals of an Environmental, Social or Political Nature.**

The EMEA Voting Guidelines apply to companies that are incorporated in Europe, the Middle East, and Africa. Some of these guidelines apply to all markets in the region. Where a guideline is country-specific, that will be indicated in the policy below.

Key Voting Guidelines: EMEA

Approve financial results, director reports, auditor reports	FOR, unless there are concerns about the accounts presented or the audit procedures used, or if the company does not provide adequate information to make a decision.
Appointment of auditors and auditor fees	FOR the reelection of auditors and proposals authorizing the board to fix auditor fees. AGAINST if there are serious concerns about the accounts presented or the audit procedures used; the auditors are being changed without explanation; or non audit-related fees are substantial or are routinely in excess of standard annual audit-related fees. AGAINST the appointment of external auditors if they have previously served the company in an executive capacity or can otherwise be considered affiliated with the company. A "cooling off" exception will be considered after three years for retired partners of a company's auditor. AGAINST, if the company has not disclosed the auditor's fees.
Approve allocation of income	Generally FOR. In cases of payout ratios on either end of the extreme (less than 30% or greater than 100%), CASE-BY-CASE.
Board diversity policy	Our experience leads us to observe that boards lacking in diversity represent a sub-optimal composition and a potential risk to the company's competitiveness over time. We recognize diversity can be defined across a number of dimensions. However, if a board is to be considered meaningfully diverse, in our view some diversity across gender, ethnic, or nationality lines must be present. For companies in EMEA we generally oppose the re-elections of Governance Committee members if we find no evidence of board diversity. In markets where there is a well-established expectation for board diversity (regulatory, quasi-regulatory or listing standards), T. Rowe Price will generally apply the same expectation. (U.K., Ireland) Our voting in these markets reflects the prevailing market or listing standards for board diversity (both by gender and by ethnicity) as well as diverse representation on the executive committee level. For smaller companies in these markets, our diversity policy is applied to single-gender boards. (Europe) In the Continental European markets our minimum expectation for board diversity of companies on the main listing is they should be at least 30% diverse by gender. For smaller companies in these markets, our diversity policy is applied to single-gender boards. (EMEA) Elsewhere in EMEA our diversity policy is applied to single-gender boards.
Climate transparency policy	Our Election of Directors policy includes the possibility that T. Rowe Price may choose to oppose directors for failure in the oversight of material environmental risks. Here we provide additional details on the parameters of this policy. For mature companies in the EMEA region operating in industries with the highest carbon intensity, our expectation is these companies disclose, at a minimum, their total annual absolute Scope 1 and Scope 2 greenhouse gas emissions. Failure by companies in these industries to disclose this data leaves their investors unable to properly analyze their exposure to climate change risk. To implement this policy, we have identified those companies that are both highly exposed to the impact of climate change and have demonstrated insufficient preparedness for the energy transition. Our screening methodology uses a three-step process: 1) We use the European Union's Sustainable Finance Disclosure Regulation's list of high impact climate sectors to define the scope of companies with high exposure.

Key Voting Guidelines: EMEA continued

	2) We use our proprietary Responsible Investing Indicator Model (RIIM) to screen within these sectors for companies that may not be adequately managing their climate risks. As a minimum standard, if companies in these sectors are reporting their Scope 1 and 2 greenhouse gas emissions, they are out of scope for this policy. 3) Finally we identify any mitigating or idiosyncratic circumstances that indicate it is not appropriate to apply the policy to a company at this time. For example, exceptions may be made for smaller or newly public companies.
Discharge of board and management	Generally, FOR. AGAINST if significant and compelling controversy exists surrounding the board's execution of its duties, or if legal action is being taken against company directors.
Related party transactions	CASE-BY-CASE
Election of directors	Generally, FOR. AGAINST if: – Adequate disclosure has not been provided in a timely manner; – There are clear concerns over questionable finances or restatements; – There have been questionable transactions with conflicts of interest; – There are any records of abuses against minority shareholder interests; or – The board fails to meet minimum corporate governance standards Vote FOR individual nominees unless there are specific concerns about the individual, such as criminal wrongdoing, breach of fiduciary responsibilities or egregious failure to oversee material governance, environmental, or social incidents. Vote AGAINST individual directors if absences (>25%) at board meetings have not been explained (in countries where this information is disclosed). Vote AGAINST shareholder nominees unless they demonstrate a clear ability to contribute positively to board deliberations. Vote AGAINST labor representatives if they sit on either the audit or compensation committee, as they are not required to be on those committees. Vote AGAINST insiders and affiliated directors if the board does not meet local best-practice standards for overall independence. Vote AGAINST the entire board if, at a minimum, the names of the director nominees are not disclosed in advance of the meeting. (UK only) Vote AGAINST executives holding a combined CEO and Chair role, absent a compelling explanation for why this non-standard structure is appropriate. In cases where a negative vote is warranted for the Chair of any company, T. Rowe Price may enter an ABSTAIN to keep our response proportionate to the issue.
Renew partial takeover provision	FOR
Lower disclosure threshold for stock ownership	AGAINST
Issue shares (with or without preemptive rights)	General Issuances: – Generally, FOR issuance requests with preemptive rights to a maximum of 50% over currently issued capital. – Vote FOR issuance requests without preemptive rights to a maximum of 10% of currently issued capital, in most markets. – Exceptions are made for smaller cap European companies, for which we would generally approve requests up to 100% with pre-emptive rights and 20% without rights. Specific Issuances: – Vote CASE-BY-CASE on all requests, with or without preemptive rights. – In the U.K. market we generally support resolutions in line with the Pre-Emption Group Principles.

Key Voting Guidelines: EMEA continued

Share repurchase plans	CASE-BY-CASE. Generally FOR repurchase authorities up to 10% of issued share capital, unless there is clear evidence of past abuse of the authority, or the plan contains no safeguards against selective buybacks.
Increase authorized capital	Vote AGAINST proposals to adopt unlimited capital authorizations. Vote FOR non-specific proposals to increase authorized capital up to 100% over the current authorization unless the increase would leave the company with less than 30% of its new authorization outstanding. Vote FOR specific proposals to increase authorized capital to any amount, unless: – The specific purpose of the increase (such as a share-based acquisition or merger) does not meet TRPA guidelines for the purpose being proposed. – The increase would leave the company with less than 30% of its new authorization outstanding after adjusting for all proposed issuances.
Equity plans	CASE-BY-CASE, taking into account plan features such as the number of shares reserved for issuance, the growth characteristics of the company, any discounts applied to the exercise price, the plan's administration, performance and vesting criteria, the repricing policy, the breadth of distribution of options within the company, and other features. CASE-BY-CASE consideration of stock grants outside of established plans, taking into account the total potential dilution of the grant when combined with existing plans.
Incentive plans (ESPPs and share option schemes)	CASE-BY-CASE, taking into account employee eligibility, dilution, offering period and offering price, discounts, participation limits and loan terms.
Approve remuneration policy/Approve remuneration report	Assess each company's compensation practices on a CASE-BY-CASE basis, taking into account how performance conditions for all elements of variable pay are clearly aligned with the company's strategic objectives, with vesting and holding periods that are in line with local good practice. Companies electing to include ESG metrics in their remuneration plans should demonstrate that such metrics are both material to the company's results and quantifiable. A comprehensive discussion of our global compensation principles is found later in this document.
Mergers and acquisitions	CASE-BY-CASE Vote AGAINST if the companies do not provide sufficient information to make an informed voting decision.
Mandatory take-over bid waivers	CASE-BY-CASE
Expansion of business activities	Generally, FOR.
Shareholder proposals of an environmental or social nature	It is T. Rowe Price policy to analyze every shareholder proposal of a social or environmental nature on a CASE-BY-CASE basis. See the section labeled **Guidelines for Shareholder Proposals of an Environmental, Social or Political Nature.**
Management proposals of an environmental or social nature ("Say on Climate")	Vote CASE-BY-CASE on management proposals requesting shareholders approve a management-supported resolution of an environmental or social nature. A detailed discussion of our framework for assessing Say on Climate votes is found later in this document.
Virtual Shareholder Meetings	In general, T. Rowe Price supports management discretion to host its annual or special meetings in a virtual format, assuming appropriate mechanisms are in place to enable shareholder participation. For companies that select practices outside of established regional norms, we may oppose the resolutions enabling the virtual shareholder meeting format.

The Asia-Pacific Voting Guidelines apply to companies that are incorporated in countries in the Asia-Pacific region. Some of these guidelines apply to all markets in the region. Where a guideline is country-specific, that will be indicated in the policy below.

Key Voting Guidelines: Asia-Pacific

Approve financial results, director reports, auditor reports	FOR, unless there are concerns about the accounts presented or the audit procedures used, or if the company does not provide adequate information to make a decision.
Appointment of auditors and auditor fees	FOR the reelection of auditors and proposals authorizing the board to fix auditor fees. AGAINST if there are serious concerns about the accounts presented or the audit procedures used; the auditors are being changed without explanation; or non audit-related fees are substantial or are routinely in excess of standard annual audit-related fees. AGAINST the appointment of external auditors if they have previously served the company in an executive capacity or can otherwise be considered affiliated with the company. A "cooling off" exception will be considered after three years for retired partners of a company's auditor. AGAINST, if the company has not disclosed the auditor's fees.
Approve allocation of income	Generally FOR. In cases of payout ratios on either end of the extreme (less than 30% or greater than 100%), CASE-BY-CASE.
Appointment of internal statutory auditors	FOR, unless: – There are serious concerns about the statutory reports presented or the audit procedures; – Questions exist concerning any of the statutory auditors being appointed; or – The auditors have previously served the company in an executive capacity or can otherwise be considered affiliated with the company.
Related party transactions	CASE-BY-CASE
Election of directors	Generally, FOR. Vote AGAINST if: – Adequate disclosure has not been provided in a timely manner; – There are clear concerns over questionable finances, restatements or qualified auditor opinions; – There have been questionable transactions with conflicts of interest; – There are any records of abuses against minority shareholder interests; or – The board fails to meet minimum corporate governance standards Vote FOR individual nominees unless there are specific concerns about the individual, such as criminal wrongdoing, breach of fiduciary responsibilities or egregious failure to oversee material governance, environmental, or social incidents. Vote AGAINST individual directors if absences (>25%) at board meetings have not been explained (in countries where this information is disclosed). Vote AGAINST shareholder nominees unless they demonstrate a clear ability to contribute positively to board deliberations. Vote AGAINST insiders and affiliated directors if the board does not meet local best-practice standards for overall independence. Vote AGAINST the entire board if, at a minimum, the names of the director nominees are not disclosed in advance of the meeting. In cases where a negative vote is warranted for the Chair of any company, T. Rowe Price may enter an ABSTAIN to keep our response proportionate to the issue. (Japan) If cross-shareholdings are in place, directors of each company will not be considered independent under T. Rowe Price policy. (Japan) Vote against the top executive(s) if a company allocates a significant portion of its net assets to cross-shareholdings. (Japan) Vote against the top executive(s) if at least one-third of the board members are not outside directors. (Japan) Vote against the top executive(s) if ROE has been below 5% for more than five years.

Key Voting Guidelines: Asia-Pacific continued

Board diversity policy	Our experience leads us to observe that boards lacking in diversity represent a sub-optimal composition and a potential risk to the company's competitiveness over time. We recognize diversity can be defined across a number of dimensions. However, if a board is to be considered meaningfully diverse, in our view some diversity across gender, ethnic, or nationality lines must be present. For companies in the Asia-Pacific region, we generally oppose the re-elections of Governance Committee members and/or senior executives, as appropriate, if we find insufficient evidence of board diversity. In markets where there is a well-established expectation for board diversity (regulatory, quasi-regulatory or listing standards), T. Rowe Price will generally apply the same expectation. (Australia) Our expectation of Australian issuers in the ASX 300 is to have at least 30% diversity by gender.
Climate transparency policy	Our Election of Directors policy includes the possibility that T. Rowe Price may choose to oppose directors for failure in the oversight of material environmental risks. Here we provide additional details on the parameters of this policy. For mature companies in the Asia-Pacific region operating in industries with the highest carbon intensity, our expectation is these companies disclose, at a minimum, their total annual absolute Scope 1 and Scope 2 greenhouse gas emissions. Failure by companies in these industries to disclose this data leaves their investors unable to properly analyze their exposure to climate change risk. To implement this policy, we have identified those companies that are both highly exposed to the impact of climate change and have demonstrated insufficient preparedness for the energy transition. Our screening methodology uses a three-step process: 1) We use the European Union's Sustainable Finance Disclosure Regulation's list of high impact climate sectors to define the scope of companies with high exposure. 2) We use our proprietary Responsible Investing Indicator Model (RIIM) to screen within these sectors for companies that may not be adequately managing their climate risks. As a minimum standard, if companies in these sectors are reporting their Scope 1 and 2 greenhouse gas emissions, they are out of scope for this policy. 3) Finally we identify any mitigating or idiosyncratic circumstances that indicate it is not appropriate to apply the policy to a company at this time. For example, exceptions may be made for smaller or newly public companies.
Renew partial takeover provision	FOR
Lower disclosure threshold for stock ownership	AGAINST
Issue shares (with or without preemptive rights)	General Issuances: – Generally, FOR issuance requests with preemptive rights to a maximum of 50% over currently issued capital. – Vote FOR issuance requests without preemptive rights to a maximum of 10% of currently issued capital, in most markets. Specific Issuances: – Vote CASE-BY-CASE on all requests, with or without preemptive rights.
Share repurchase plans	CASE-BY-CASE. Generally FOR repurchase authorities up to 10% of issued share capital, unless there is clear evidence of past abuse of the authority, or the plan contains no safeguards against selective buybacks.
Incentive plans (ESPPs and share option schemes)	CASE-BY-CASE, taking into account employee eligibility, dilution, offering period and offering price, discounts, participation limits and loan terms.

Key Voting Guidelines: Asia-Pacific continued

Increase authorized capital	Vote AGAINST proposals to adopt unlimited capital authorizations. Vote FOR non-specific proposals to increase authorized capital up to 100% over the current authorization unless the increase would leave the company with less than 30% of its new authorization outstanding. Vote FOR specific proposals to increase authorized capital to any amount, unless: – The specific purpose of the increase (such as a share-based acquisition or merger) does not meet TRPA guidelines for the purpose being proposed. – The increase would leave the company with less than 30% of its new authorization outstanding after adjusting for all proposed issuances.
Equity plans	CASE-BY-CASE, taking into account plan features such as the number of shares reserved for issuance, the growth characteristics of the company, any discounts applied to the exercise price, the plan's administration, performance and vesting criteria, the repricing policy, the breadth of distribution of options within the company, and other features. CASE-BY-CASE consideration of stock grants outside of established plans, taking into account the total potential dilution of the grant when combined with existing plans.
Ratify remuneration report ("Say on Pay")	Assess each company's compensation practices on a CASE-BY-CASE basis, taking into account company performance, terms of executive contracts, level of compensation, mix of compensation types, the quality of disclosure on compensation practices, and the company's overall governance profile. A comprehensive discussion of our global compensation principles can be found later in this document.
Mergers and acquisitions	CASE-BY-CASE Vote AGAINST if the companies do not provide sufficient information to make an informed voting decision.
Poison pills	Generally, AGAINST unless the temporary, tactical use of a pill is clearly appropriate and strong investor protections are in place.
Expansion of business activities	Generally, FOR.
Debt issuance requests	FOR proposals to issue convertible debt instruments unless they create excessive dilution under TRPA's equity issuance guidelines. FOR proposals to restructure debt, unless the terms of the restructuring would adversely affect shareholder rights. Vote non-convertible debt issuance requests on a CASE-BY-CASE basis, with or without preemptive rights.
Pledging of assets for debt	CASE-BY-CASE
Share reissuance plans	Generally FOR unless there is evidence of past abuse of this authority.
Increase borrowing power	CASE-BY-CASE
Shareholder proposals	CASE-BY-CASE
Shareholder proposals of an environmental or social nature	It is T. Rowe Price policy to analyze every shareholder proposal of a social or environmental nature on a CASE-BY-CASE basis. See the section labeled Guidelines for Shareholder Proposals of an Environmental, Social or Political Nature.
Management proposals of an environmental or social nature ("Say on Climate")	Vote CASE-BY-CASE on management proposals requesting shareholders approve a management-supported resolution of an environmental or social nature. A detailed discussion of our framework for assessing Say on Climate votes is found later in this document.
Virtual Shareholder Meetings	In general, T. Rowe Price supports management discretion to host its annual or special meetings in a virtual format, assuming appropriate mechanisms are in place to enable shareholder participation. For companies that select practices outside of established regional norms, we may oppose the resolutions enabling the virtual shareholder meeting format.

Impact Voting Policy

A separate set of proxy voting guidelines is administered for the T. Rowe Price Impact strategies. These Funds require a separate voting policy because they have two express mandates: competitive financial returns as well as positive social and environmental impact. In order to meet these objectives, the Impact Funds may vote differently from other T. Rowe Price Funds, particularly on director elections and shareholder resolutions. The focus on social equity may be reflected in certain remuneration votes.

For the T. Rowe Price Impact strategies, our proxy voting program serves as one element of our overall relationship with corporate issuers. We use our voting power in a way that complements the other aspects of our relationship with these companies, including engagement, investment diligence, and investment decision-making. A customized set of proxy voting guidelines helps us establish governance norms and follow a differentiated stewardship approach.

Key guidelines include:

Election of directors	In addition to the governance considerations set out under the three regional voting guidelines: Generally, AGAINST the re-election of non-executive directors for: – all companies lacking scope1-2 disclosure. – high emitters[4] lacking material scope 3 disclosure. Generally, AGAINST the re-election of non-executive directors for: – high emitters lacking an adequate climate strategy.
Shareholder resolutions	CASE-BY-CASE, expects to support shareholder resolutions which request improved ESG disclosures and practices.
Company-specific issues	The portfolio manager may make other voting decisions, aligned with the investment objective of the Fund.
Alignment	These Impact equity-specific guidelines are in addition to the appropriate regional voting guidelines as set out in the TRPA Proxy Voting Guidelines. The portfolio manager may make other voting decisions, aligned with the dual-purpose mandate of the Fund.
Say on Climate	Vote CASE-BY-CASE on management proposals requesting shareholders approve the company's climate transition action plan, taking into account the completeness and rigor of the plan. A detailed discussion of our framework for assessing Say on Climate votes can be found later in this document.

[4] TRPA uses the European Union's Sustainable Finance Disclosure Regulation's list of high impact climate sectors to define the scope of companies with high exposure (the high emitters).

Net Zero Policy

A separate set of proxy voting guidelines is administered for T. Rowe Price strategies subject to an explicit Net Zero investment framework. These portfolios require a separate voting policy because they have two explicit mandates: competitive financial returns as well as alignment with Net Zero goals. In order to meet these objectives, portfolios under Net Zero mandates may vote differently from other T. Rowe Price Funds, particularly on director elections, Say on Climate resolutions, and shareholder proposals.

Key guidelines include:

Election of directors	In addition to the governance considerations set out under the three regional voting guidelines: Generally, AGAINST the re-election of non-executive directors for: – all companies lacking scope1-2 disclosure. – high emitters lacking material scope 3 disclosure. Generally, AGAINST the re-election of non-executive directors for: – high emitters lacking an adequate climate strategy.
Shareholder resolutions	CASE-BY-CASE. Net Zero mandates are likely to support shareholder resolutions which request accelerated climate-related disclosures and practices.
Company-specific issues	The portfolio manager may make other voting decisions to override our standard voting guidelines, if aligned with the dual-purpose mandate of the Fund.
Alignment	These Net Zero guidelines are in addition to the appropriate regional voting guidelines as set out in the T. Rowe Price Proxy Voting Guidelines. The portfolio manager may make other voting decisions, aligned with the dual-purpose mandate of the Fund.
Say on Climate	Vote CASE-BY-CASE on management proposals requesting shareholders approve the company's climate transition action plan, taking into account the completeness and rigor of the plan. A detailed discussion of our framework for assessing Say on Climate votes can be found later in this document.

Executive Compensation Guidelines

Votes on compensation matters take a number of different forms in markets around the world, including:

- votes to approve new equity plans;
- votes to approve adding new shares to an existing equity plan;
- votes to approve specific grants of shares to executives;
- advisory votes on executives' compensation ("Say on Pay");
- binding votes on executives' compensation or pay plans; and
- shareholder resolutions addressing certain aspects of executive compensation.

Generally, our approach to all of these categories is to assess how reasonable the resolution is in light of the company's strategy, relative performance, absolute performance, industry, size, and location. Our objective is to identify and support compensation resolutions that are both aligned with the long-term interests of shareholders and thoroughly explained in the company's public disclosures.

Following are more detailed explanations of our voting guidelines in the three main areas of executive compensation:
Equity Plans, Say on Pay and Shareholder Proposals

Executive Compensation Issues—

Equity Plans

We believe long-term equity plans, used appropriately, provide strong alignment of interests between executives and investors. These plans can be effective in linking executives' pay to the company's performance as well as attracting and retaining management talent. We evaluate requests to approve or renew equity plans on a case-by-case basis, taking into account the overall cost of the plan (absolute and relative to peers); the company's past performance; the company's size, industry and growth rate; vesting provisions; and the key qualitative features of the plan. We oppose plans that are excessively costly, as well as those with problematic features such as evergreen or repricing provisions. We may also oppose equity plans at any company where we deem the overall compensation practices to be problematic.

We generally oppose efforts to reprice options in the event of a decline in value of the underlying stock unless such requests appropriately balance shareholder and employee interests and are subject to shareholder approval.

Say on Pay

Shareholder votes to approve executive compensation — generally votes of an advisory nature — have become common in markets around the world. It is challenging to apply a rules-based framework to compensation votes because every pay program is a unique reflection of the company's performance, industry, size, geographic mix, and competitive landscape. Additionally, factors such as executives' individual performance, achievement of goals, experience, tenure, skills, and leadership should be taken into account in evaluating the overall compensation context. For these reasons, T. Rowe Price takes a case-by-case approach to "Say on Pay" votes.

Outside the U.S., we generally assess a company's disclosure about its executive compensation program in relation to contemporary standards in its home market. Further analysis is focused on the process undertaken by the board committee overseeing compensation and the degree of alignment between the company's long-term performance and the payouts generated under its compensation program.

Within the U.S., T. Rowe Price votes more "Say on Pay" resolutions than in any other market due to the frequency of these votes and our number of holdings. Therefore, we have adopted a screening approach to identify companies with persistent gaps in their pay/performance alignment and companies using compensation practices or structures that may be problematic. The screen looks at compensation through four different perspectives:

a) Pay/Performance Alignment

We look at correlation between executive pay and company performance over periods of three, four, and five years. Performance is defined in terms of total shareholder return and financial measures appropriate for the company's primary industry.

b) Pay Practices

We consider the presence of compensation practices that may be outdated or may, in our experience, impede the alignment of executives' and shareholders' interests. Examples of such practices include supplemental executive retirement plans, excessive golden parachutes, unreasonable perquisites, tax gross-up provisions, large gaps in internal pay equity, single triggers in the change-of-control plan, automatic benchmarking in the top half of the company's peer group, and the use of special, one-time equity grants for retention or similar purposes.

c) External Perspectives

The recommendations of our outside proxy advisor, ISS, and the results from the prior year's advisory compensation vote (if any) form the third lens through which we assess pay programs. These external data points are indicators of the overall market's assessment of the company's approach to compensation.

d) Absolute Level of Pay

The fourth element of our screen is a look at the absolute level of reported executive pay. We assess this figure relative to other companies whose stocks are held in our clients' portfolios, companies we would deem loosely similar in size, industry, and growth profile. The purpose of this analysis is to identify outliers, which we define as companies paying their executives in the top quartile of their respective sectors. In our view, it may be appropriate for the board's Compensation Committee to decide to pay at the top end of the peer set if the company also delivers persistently strong relative performance. Additionally, there may be unique, one-off circumstances causing a company to appear at the top end of the peer group in a single year, such as when there has been a succession in the executive suite. However, when we find companies consistently delivering industry-leading compensation without also delivering consistent industry-leading results, our screen triggers further analysis.

The screen is just the first stage of the process. If a company's compensation profile registers high negative scores in one or more of the four areas described above, it leads to a qualitative review. In this review, we assess the circumstances that led to the high score, review the company's proxy filing for the rationale behind the compensation decisions in that period, and consult the T. Rowe Price equity analyst who follows the company. Often, we engage with the company to request additional context and perspective. After this second-stage review, we put forth a recommendation to the portfolio managers who own shares of the company in their clients' portfolios: either to support or oppose the resolution.

With regard to the question of how frequently U.S. companies should offer shareholders a "Say on Pay" vote, we generally prefer an annual cycle.

Fairness in pay decisions

For our pay-related proxy voting decisions, alongside our traditional assessment of pay-for-performance alignment, pay practices and absolute level of pay, we also assess pay outcomes through the lens of fairness. In general, pay decisions where none of the key groups (executives, employees and other stakeholders including shareholders) disproportionately benefit compared to others can expect our support. Companies that have not taken a sufficiently long-term and balanced perspective risk damaging their relationships with key stakeholders, which ultimately may impact the sustainability of their business models.

Conclusion

Well structured incentive programs can be key contributors to executive management decisions that serve to enhance value creation over time. The corollary is also true: incentive programs with inappropriate performance objectives or other design weaknesses tend to impede the alignment of management's incentives with investors' interests. In our view, it is our responsibility as engaged investors to understand the compensation programs of the companies we've invested in and to provide feedback to those companies — through our proxy votes and through direct engagement — where we find cause for concern.

Guidelines for Management Proposals to Approve Climate Plan ("Say on Climate")

Our approach to assessing the adequacy of a company's climate transition plan is a CASE-BY-CASE analysis. We will pay particular attention to the level of disclosure including whether it is in line with Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations, the current greenhouse gas emission reduction targets and the credibility of the company's decarbonization strategy.

Our analysis may vary to some extent based on region and industry; similarly, the focus on scope 1-2 versus scope 3 emissions will vary by sector. We will also consider the company's governance arrangements and willingness to engage on the topic of climate.

We view best practice as adopting a science-based net zero aligned to a 1.5°C pathway that covers scope 1-2 and the most relevant scope 3 emissions, ideally with targets validated by the Science Based Targets initiative (SBTi). For the majority of companies, we believe this is an appropriate expectation; however, we recognize that not all companies or sectors start in the same position when considering decarbonization targets. Additionally, not all companies will feel comfortable setting a net zero target if the technology to reach net zero is not yet available or economically viable. Similarly, some companies will see the establishment of a net zero target as a way to build the motivation to reach this ambition. As such, our net zero analysis does not solely focus on whether a company has a net zero target in place; it also includes a company's short- and medium-term GHG reduction targets and credibility of its emissions trajectory. It is underpinned by the principles established by the Paris Aligned Investment Initiative Net Zero Framework and includes the following areas of focus:

- Net zero target by 2050 or earlier
- Medium-term GHG reduction targets
- Short-term GHG reduction targets
- Assessment of the credibility of the pathway to achieve targets
- Science Based Targets initiative (SBTi) validation
- Recent emissions trajectory

When analyzing the net zero or other GHG reduction targets set by our investee companies, it is our expectation that companies will try to align with a 1.5°C pathway.

Our view is a nuanced, company-specific analysis is required for each resolution in this category. To do this analysis, we utilize research reports from our external proxy advisor, company filings and sustainability reports, and research from other investors and non-governmental organizations. The perspective of our internal Responsible Investing team and our internal industry research analysts is a primary consideration.

Guidelines for Shareholder Proposals of an Environmental, Social or Political Nature

It is T. Rowe Price policy to analyze every shareholder proposal of a social or environmental nature on a CASE-BY-CASE basis. The quality and relevance of shareholder resolutions varies widely across markets, as does each company's disclosure around environmental and social risks and its preparedness on these issues. Our view is a nuanced, company-specific analysis is required for each shareholder resolution in this category.

To do this analysis, we utilize primarily the board's written response to the proposal in the proxy filing. We also may consult research reports from our external proxy advisor, company filings and sustainability reports, and research from other investors and non-governmental organizations. The perspective of our internal Responsible Investing team and our internal industry research analysts is an additional consideration.

Generally speaking, we support well targeted proposals addressing concerns that are particularly relevant for a company's business but have not yet been adequately addressed by management.

To the extent we conclude that a company's existing disclosure on an environmental or social topic is adequate for our needs as investors, we may conclude it is not prudent to ask the company to spend additional resources on incremental improvements to such disclosure.

Our general approach to resolutions in each category is:

Political spending & lobbying	We believe corporate participation in the political process, where allowed by law, can be appropriate. To the extent that we find generally poor disclosure regarding the board's oversight of political activity, we may support shareholder resolutions asking for more transparency. Generally, we observe significant improvement in the quantity and quality of corporate reporting on political involvement as investors have made their expectations known. For this reason, our support for shareholder resolutions in this category is selective.
Environmental issues	As part of our normal ESG engagement program, we encourage companies to improve their environmental disclosures. The current lack of standardization in environmental reporting makes it more difficult for us to analyze companies' environmental exposure. This is why we advocate using specific reporting frameworks: the Sustainable Accounting Standards Board (SASB) and the Taskforce on Climate-Related Disclosures (TCFD), and we are supporting the International Sustainability Standards Board (ISSB) framework as it develops. Shareholder proposals asking companies to adopt reduction targets for their Scope 3 emissions represent a particularly challenging category for us as investors. In most cases, we conclude that such resolutions are inappropriate. In essence, these resolutions are asking the board to direct the company to forego revenues or increase capital spending in the near term to pursue an objective that may not be within the company's control or may result in significant economic harm to investors. Such resolutions also fail to reflect the complexity of the investments that will be required as part of an energy transition, the time scale of the transition, and the role that certain companies will play in enabling their customers to prepare for the transition. In most cases, we conclude that the board is the appropriate party to determine the feasibility of establishing Scope 3 targets for a company; shareholder proposals are a sub-optimal way to address this complex question. For resolutions other than those requesting Scope 3 targets, the primary factors in our voting decisions include the board's written response to the proposal in the proxy; the materiality of the issue for the company; our prior engagement with the company on environmental matters; the views of our Responsible Investing team; the identity of the proponents, if available, and their stated intentions; and the degree to which the proposal is prescriptive or unrealistic.
Social Issues	This category contains a wide variety of proposals on issues ranging from specific operational practices of companies to broader societal issues such as diversity, equity, and inclusion. We assess proposals in the social category on a case-by-case basis, considering the board's written response to the proposal in the proxy, the materiality of the issue being raised, the company's existing level of disclosure, the degree to which the resolution is prescriptive, the views of our Responsible Investing team, the identity and stated intentions of the proponents, and our engagement history with the company.

After our case-by-case analysis of social and environmental proposals, our voting decisions generally fall into these categories:

- We agree with the proponent and vote FOR.
- We find the company already provides sufficient disclosure on the topic in question, so we vote AGAINST a proposal requesting additional disclosure.
- We disagree with the objectives of the proponent on principle, so we vote AGAINST the proposal.
- The company has already disclosed its intentions to provide the disclosure requested by the proponent. In these cases, we may conclude there is no need to support the resolution.
- We may agree with certain elements of the proposal, but find the framing too prescriptive, or in some other way unreasonable or unrealistic. An example would be if the proponent was requiring additional reporting before the next Annual General Meeting on a new topic which required significant review and consideration by the business.

Voting Decision Elements

The following table details the specific considerations that we take into account when assessing environmental or social resolutions.

Does the resolution address an environmental or social issue that is material for this company?

- In our view, financial materiality is a key consideration because it is suboptimal to distract the company and its Board with resolutions on issues that are not related to value creation.
- To determine materiality, we use frameworks specifically designed for that purpose: the Sustainability Accounting Standards Board (SASB) disclosure framework and our proprietary scoring system, the Responsible Investing Indicator Model (RIIM).

Who are the proponents of the resolution, and are our objectives aligned with theirs?

- It is not always possible to obtain the identity of the proponents of shareholder resolutions, but when it is disclosed, we believe it is an important consideration. Less than half of resolutions are submitted out of a sincere desire to improve the company's practices for the benefit of investors.[5]
- In the other cases, shareholder resolutions are used as a tactic to bring public pressure onto a company as part of a larger dispute unrelated to the company's long term economic success. In some instances, shareholder resolutions are used with the aim of benefiting certain types of shareholders over others.

Is the environmental or social proposal asking for new disclosure, additional disclosure, or specific action?

- Most environmental or social proposals for companies in our portfolios each year seek disclosure on a particular environmental or social topic. For example, the proposal may ask the company to report on its human rights policies or political spending activities. The company may or may not already provide some level of disclosure on the subject.
- Some proposals go beyond disclosure and ask the company to make a specific operational decision, adopt a specific policy, add a Board member or committee, close a business operation, or take similar explicit actions.
- Our view on these prescriptive proposals is that they usurp management's responsibility to make operational decisions and the Board's responsibility to guide and oversee such decisions. However, for companies in our clients' portfolios that are most acutely exposed to climate risk, the market is moving from disclosure oriented proposals to those seeking specific action. For example, a growing number of proposals ask companies to set specific targets for reducing their greenhouse gas emissions.

Are shareholders the optimal stakeholders to address the core issue that is the subject of the resolution?

- Some resolutions ask companies to address social or environmental concerns that are already subject to regulation. If a proposal asks an individual issuer to adopt a standard that is higher than the regulatory requirement and peers' practices, we will take potential competitive harm into consideration in our voting decision.
- Some resolutions ask investors to impose company level, private market solutions to problems that are clearly better addressed by other stakeholders, including regulators, legislation, the courts, or communities. If a proposal seeks to apply company level solutions to a broad societal problem and the company has little influence over the problem, we may deem the resolution to be poorly crafted or misdirected.

Are there any specific considerations given to climate related resolutions?

- A subset of proposals in the environmental category are specifically around limiting a company's greenhouse gas emissions to meet the objectives of the Paris Climate Agreement.
- Adequate disclosure is the first step to assessing a company's preparedness for a low carbon transition.
- Resolutions calling for a company to undertake specific actions, such as divesting from certain businesses, are likely to be deemed too prescriptive for us to support. If a resolution seeks specific action or targets, we assess the degree of alignment between the requested action and the interests of long term investors.

[5] Source: T. Rowe Price analysis.

Governance of Proxy Voting at T. Rowe Price

Fiduciary considerations

T. Rowe Price's decisions with respect to proxy issues are made in light of the anticipated impact of the issue on the desirability of investing in the portfolio company. Proxies are voted solely in the interests of the client, T. Rowe Price Funds shareholders or, where employee benefit plan assets are involved, in the interests of plan participants and beneficiaries.

Proxy administration

The TRPA ESG Investing Committee develops positions on all major proxy voting issues, creates guidelines, and oversees the voting process. The TRPA ESG Investing Committee, composed of portfolio managers, investment analysts, operations managers, and internal legal counsel, analyzes proxy policies based on whether they would adversely affect shareholders' interests and make a company less attractive to own. In establishing our proxy policies each year, the Committee relies upon our own fundamental research, independent research provided by an outside proxy advisor, and information presented by company managements and shareholder advocates.

Once the TRPA ESG Investing Committee establishes its recommendations, they are distributed to the portfolio managers as voting guidelines. Ultimately, the portfolio managers decide how to vote on the proxy proposals of companies in their portfolios. Because portfolio managers may have differences of opinion on portfolio companies and their unique governance issues, the T. Rowe Price Funds may cast different votes at the same shareholder meeting. When portfolio managers cast votes that are counter to the TRPA ESG Investing Committee's guidelines, they are required to document their reasons in writing to the Committee. Annually, the Committee reviews T. Rowe Price's proxy voting process, policies, and voting records.

T. Rowe Price has retained Institutional Shareholder Services ("ISS"), an expert in the proxy voting and corporate governance area, to provide proxy advisory and voting services. These services include custom vote recommendations, research, vote execution, and reporting. In order to reflect T. Rowe Price's issue- by-issue voting guidelines as approved each year by the TRPA ESG Investing Committee, ISS maintains and implements custom voting policies for the T. Rowe Price Funds and other client accounts.

Monitoring and resolving potential conflicts of interest

The TRPA ESG Investing Committee is also responsible for monitoring and resolving possible conflicts between the interests of T. Rowe Price and those of its clients with respect to proxy voting. We have adopted safeguards to ensure that our proxy voting is not influenced by interests other than those of our fund shareholders and clients. While membership on the TRPA ESG Investing Committee is diverse, it does not include individuals whose primary duties relate to client relationship management, marketing, or sales.

Since our voting guidelines are predetermined by the TRPA ESG Investing Committee, application of the T. Rowe Price guidelines to vote clients' proxies should in most instances adequately address any possible conflicts of interest. However, for proxy votes inconsistent with T. Rowe Price guidelines, the TRPA ESG Investing Committee reviews all such proxy votes in order to determine whether the portfolio manager's voting rationale appears reasonable. The TRPA ESG Investing Committee also assesses whether certain business or other relationships between T. Rowe Price and a portfolio company could have influenced an inconsistent vote on that company's proxy. Issues raising possible conflicts of interest are referred to designated senior members of the Committee for immediate resolution prior to the time T. Rowe Price casts its vote.

With respect to personal conflicts of interest, T. Rowe Price's Code of Ethics requires all employees to avoid placing themselves in a compromising position where their interests may conflict with those of our clients and restricts their ability to engage in certain outside business activities. Portfolio managers or TRPA ESG Investing Committee members with a personal conflict of interest regarding a particular proxy vote must recuse themselves and not participate in the voting decisions with respect to that proxy.

Specific conflict-of-interest situations

Voting of T. Rowe Price Group, Inc. common stock by certain T. Rowe Price Index Funds will in all instances be cast in accordance with T. Rowe Price policy, and votes inconsistent with policy will not be permitted. In the event that there is no previously established guideline for a specific voting issue appearing on the T. Rowe Price Group proxy, the T. Rowe Price Funds will abstain on that voting item.

For shares of the Funds that are series of T. Rowe Price Equity Series, Inc., T. Rowe Price Fixed Income Series, Inc., and T. Rowe Price International Series, Inc. (collectively, the "Variable Insurance Portfolios") held by insurance company separate accounts for which the insurance company has not received timely voting instructions, as well as shares the insurance company owns, those shares shall be voted in the same proportion as shares for which voting instructions from contract holders are timely received.

Shares of the T. Rowe Price Funds that are held by other T. Rowe Price Funds will generally be voted in the same proportion as shares for which voting instructions from other shareholders are timely received. If voting instructions from other shareholders are not received, or if a T. Rowe Price Fund is only held by other T. Rowe Price Funds or other accounts for which T. Rowe Price has proxy voting authority, the fund will vote in accordance with its board's instruction.

Securities lending and proxy voting

The T. Rowe Price Funds and our institutional clients may participate in securities lending programs to generate income. Generally, the voting rights pass with the securities on loan; however, lending agreements give the lender the right to terminate the loan and pull back the loaned shares provided sufficient notice is given to the custodian bank in advance of the applicable deadline.

T. Rowe Price's policy is generally not to vote securities on loan unless we determine there is a material voting event that could affect the value of the loaned securities. In this event, we have the discretion to pull back the loaned securities in order to cast a vote at an upcoming shareholder meeting. A monthly monitoring process is in place to review securities on loan and how they may affect proxy voting.

Limitations on voting proxies of certain U.S. banks

T. Rowe Price has obtained relief from the U.S. Federal Reserve Board (the "FRB Relief") which permits, subject to a number of conditions, T. Rowe Price to acquire in the aggregate on behalf of its clients, 10% or more of the total voting stock of a bank, bank holding company, savings and loan holding company or savings association (each a "Bank"), not to exceed a 15% aggregate beneficial ownership maximum in such Bank. One such condition affects the manner in which T. Rowe Price will vote its clients' shares of a Bank in excess of 10% of the Bank's total voting stock ("Excess Shares"). The FRB Relief requires that T. Rowe Price use its best efforts to vote the Excess Shares in the same proportion as all other shares voted, a practice generally referred to as "mirror voting," or in the event that such efforts to mirror vote are unsuccessful, Excess Shares will not be voted. With respect to a shareholder vote for a Bank of which T. Rowe Price has aggregate beneficial ownership of greater than 10% on behalf of its clients, T. Rowe Price will determine which of its clients' shares are Excess Shares on a pro rata basis across all of its clients' portfolios for which T. Rowe Price has the power to vote proxies.

Global voting framework

T. Rowe Price applies a two-tier approach to determining and applying global proxy voting policies. The first tier establishes baseline policy guidelines for the most fundamental issues, which apply without regard to a company's domicile. An example of such baseline policies would be the importance of having independent directors on a company's Audit Committee. The second tier takes into account the various governance codes and norms in different regions, making allowances for local market practices as long as they do not conflict with the fundamental goal of good corporate governance. Our objective is to enhance shareholder value through the effective use of the shareholder franchise, recognizing that no single set of policies is appropriate for all markets.

Practicalities and costs involved with international investing may make it impossible at times, and at other times disadvantageous, to vote proxies in every instance. For example, we might refrain from voting if we or our agents are required to appear in person at a shareholder meeting or if the exercise of voting rights results in the imposition of trading restrictions.

A discussion of engagement

At T. Rowe Price, we believe it is our responsibility as an asset manager to safeguard our clients' interests through active ownership, monitoring, and mutual engagement with the issuers of the securities we hold in our clients' portfolios. We do not outsource any element of our engagement activity to outside parties. Thanks to the trust our investment clients have placed in us, T. Rowe Price is a significant investor for many of the world's leading companies. This affords us, in most cases, access to company management teams and board members. We believe our responsibilities as diligent investors do not cease with the decision to purchase a security. We maintain regular dialogue with the managements of issuers represented across our portfolios. Where we find areas of concern, we make those concerns known to them.

Our engagements with company management on topics of an environmental, social, or governance nature are described in our **Engagement Policy**. For a copy of this publication, visit www.troweprice.com/esg.

Proxy vote disclosure

The T. Rowe Price Funds make broad disclosure of their proxy votes on www.troweprice.com and on the SEC's Internet site at www.sec.gov. All funds, regardless of their fiscal years, must file with the SEC by August 31, their proxy voting records for the most recent 12-month period ended June 30.

Additional rights of shareholders

The scope of this document is limited to T. Rowe Price's exercise of the voting rights that accompany our clients' investments in equity securities. Shareholders are occasionally entitled to additional rights, such as dividend elections and rights offerings. These rights are evaluated and processed by our Corporate Actions group, which resides with our external provider of fund administration and accounting.

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