T. Rowe Price®
INVEST WITH CONFIDENCE

T. ROWE PRICE ENGAGEMENT POLICY

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. 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.

DEFINING ENGAGEMENT

While we engage with companies in a variety of investment contexts, engagement within the scope of this policy is defined as interaction between T. Rowe Price and an issuer of corporate securities with the intent of learning about, influencing, or exchanging perspectives on the company's environmental practices, corporate governance, or social issues affecting the business.

GENERALLY, WE HAVE THREE POSSIBLE OBJECTIVES WHEN INITIATING ENGAGEMENT:

1. to obtain information from an issuer to assist us in making a voting decision;
2. to share our perspective with an issuer on a particular matter relating to corporate governance or sustainability; or
3. to accommodate an issuer's request to share information or perspective with us.

Note: This policy statement is focused on engagements where we enter into a dialogue with an issuer of corporate securities in which our clients have an investment. Corporate securities include equity instruments, high yield, and investment-grade debt.

ENGAGEMENT PHILOSOPHY

Engagement, proxy voting activities, and assessment of a broad range of investment considerations — including environmental, social, and governance (ESG) issues — are integrated into T. Rowe Price's investment processes. Based on our view that these issues are important investment considerations, our engagement program is driven by our investment professionals and usually focused on a matter material to the investment case. It is conducted by our portfolio managers with the support of our industry-focused analysts and our in-house specialists in corporate governance and sustainability in order to leverage their expertise on specific companies, industries, or issues of an environmental, social, or governance nature. Our engagement approach is driven by investment issues such as:

- Who represents shareholders on a company's board? Is the board a strategic asset for the company?
- Which factors drive the executive compensation program and, therefore, the incentives of management?
- How robust are shareholders' rights at the company?
- How well is the company managing its environmental risks, human capital, facilities, stakeholder relations, and long-term access to critical resources?
- Are there ESG risks that could negatively affect the interests of bondholders during the period before the instrument matures?

The central focus of our engagement program is at the company level. Generally, we do not identify broad themes and then engage with multiple companies on the same issue. Instead, we identify specific factors through our research that could be potential impediments to a security's performance. We may ask a company to make a specific change, or we may just seek to gain more information on an ESG issue to ensure our investment decisions are well informed.

We believe this company-specific approach results in the highest impact because it is aligned with our core investment approach: *active management rooted in fundamental investment analysis.*

ENGAGEMENT IN PRACTICE

Our engagement program primarily takes place through formal letters to Boards of Directors, private meetings in our offices, conference calls, and proxy voting. When a company is participating in a business practice related to ESG issues that we believe could inhibit our ability to reach our investment goals, we make that view known to the company's leadership through all means at our disposal.

ESG engagements can serve a variety of purposes:

- maintain a dialogue on ESG issues, which can serve to promote best practices, share our views on a specific ESG topic, and/or inform proxy voting decisions;
- gain a better understanding of ESG issues that could impact our investment thesis;
- request a specific change at a company.

Routine Engagement

We hold hundreds of short, direct conversations with companies over the course of each year, focused on issues that may fall outside the scope of our analysts' normal ongoing due diligence meetings with companies. In the U.S., most of these engagements are conducted via conference call and do not involve board members. Outside the U.S., in-person meetings that include directors are more common. Typically, the parties involved are the company's general counsel, investor relations officer, and subject matter experts. From our side, participants may include our industry analyst and our governance or sustainability specialists. The purpose of these conversations is usually for us to gather information about a specific aspect of the company's environmental, social, or governance profile. We find these exchanges add to our overall mosaic of information about the issuer.

Research-Oriented Engagement

As ESG factors are frequently material to our investment thesis, we commonly have engagements for the purpose of improving our understanding of how a company is addressing ESG issues. In some cases, these meetings may focus on one specific ESG issue we have identified through our research, while in other cases these meetings may focus on a company's overall sustainability profile. The primary objective of our research-oriented engagements is to inform our investment thesis; however, if a company does not appear to be adequately managing ESG issues, this may lead to an action-oriented engagement where we request that a company make changes to a specific practice.

Action-Oriented Engagement

On occasion, a more intensive, in-depth exchange with a company management or board becomes necessary. The purpose of this type of engagement is to share our perspective about what we view as a significant impediment to our ability to meet our investment goals and to explore ways to work constructively with the issuer to address the concern. In our experience, such engagement is most effective when it is directly led by our fund managers and reflects their view that a serious concern is present but potentially may be ameliorated through cooperation between companies and their investors — either equity holders, fixed income investors, or both. These are the situations where we concentrate our investment of time and resources because we believe they have the highest probabilities of meaningful and successful outcomes for our clients.

Engagement for Contested Elections

In the event of a proxy voting contest, where there are more candidates for election than available board seats, we endeavor to meet with both parties in the contest. The specific purpose of these meetings is to enable us to make a fully informed voting decision.

Collaborative Engagement

Occasionally, we participate with other investors in industry-level initiatives aimed at improving disclosure or business practices on a market-wide level. To facilitate such opportunities for collaborative engagement, T. Rowe Price has joined or led various initiatives to bring investors together for purposes of advocacy or engagement. See the list below for our current memberships.

Organization	Description	Status
Council of Institutional Investors (CII)	U.S. association of institutional investors, corporate issuers and asset managers	Associate Member
Principles for Responsible Investment (PRI)	Global initiative for responsible investment	Signatory
UK Stewardship Code	Public commitment to uphold stewardship principles for UK investors	Signatory
Japan Stewardship Code	Public commitment to uphold stewardship principles for Japanese investors	Signatory
Associacão Investidores no Mercado de Capitais (AMEC)	Association for minority investors in Brazil	Member
Asia Corporate Governance Association (ACGA)	Pan-Asian association for institutional investors	Member
UK Investor Forum	Collaborative engagement association for investors in UK companies	Founding Member
Investor Stewardship Group (ISG)	Investors advocating for core governance principles for U.S. market participants	Founding Member
Japan Stewardship Initiative	Investor forum for stewardship solutions and sharing of best practices	Founding Member
Investment Association Climate Change Working Group	Group to direct the work of the UK investment management industry trade body in relation to climate change	Member
Institutional Investors Group on Climate Change (IIGCC)	European membership body for investor collaboration climate change	Member
Emerging Markets Investors Alliance	Organization that facilitates investor advocacy to improve policies and practices of governments and companies in the emerging markets	Member
Task Force on Climate-related Financial Disclosures (TCFD)	The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information.	Supporter
Responsible Investment Association Australasia (RIAA)	Champions responsible investing and a sustainable financial system in Australia and New Zealand.	Member
FAIRR	A collaborative investor network focused on the ESG risks and opportunities caused by intensive animal production.	Member
Access to Medicine Index	A tool for driving change in the pharmaceutical industry, through the identification of best practice, tracking progress and highlighting where critical action is needed to improve access to medicine for vulnerable populations.	Signatory

TRACKING ESG ENGAGEMENT

ESG engagement meetings are carried out by portfolio managers and analysts from our equity and fixed income teams as well as our ESG specialists. In order to ensure we are leveraging insights from these engagements across our investment platform, we retain notes on these meetings on our internal research platform. These notes are retained alongside our other investment research.

ENGAGEMENT, PROXY VOTING, AND INVESTMENT DECISIONS

Because the assets of T. Rowe Price's clients are predominantly actively managed, we have the option to sell the security in most cases. When a company is exhibiting poor business practices around environmental, social, or governance issues, our first step is often to assess whether or not we believe our engagement efforts will be successful. If we do not believe engagement will yield a positive outcome, we may choose to underweight or sell the shares and/or bonds.

In the case of equity investments, we have an additional tool at our disposal — the proxy vote. We see proxy voting as a crucial link in the chain of stewardship responsibilities we execute on behalf of our clients. From our perspective, the vote represents both the privileges and the responsibilities that come with owning a company's equity instruments. We take our responsibility to vote our clients' shares in a thoughtful, investment-centered way very seriously — taking into account both high-level principles of corporate governance and company-specific circumstances. Our overarching objective is to cast votes in support of the path most likely to foster long-term, sustainable success for the company and its investors.

A proxy vote against management is in almost all cases an escalation of our engagement efforts. We use our proxy vote thoughtfully and carefully. *It is not our objective to use our vote to increase the level of conflict with the companies where our clients hold investments*. Instead, our objective is to use our influence — through both engagement and proxy voting — to increase the probability that the company will outperform its peers, enabling our clients to achieve their investment goals. A proxy vote is an important shareholder right, but its power is limited to the one day per year when a company convenes its annual meeting. Influence — earned over time and applied thoughtfully — is a tool we use every day.

In an environment where large institutional shareholders are often rated by outside parties based on how frequently we vote against the board's recommendations, we think it is important to take into account that actively managed portfolios have the ability to:

- firstly, select holdings with fewer ESG issues;
- secondly, conduct engagements with a greater level of influence; and
- thirdly, sell holdings with ESG issues.

For these reasons, we believe the voting track records of active and passive funds are not comparable.

PRIORITIZATION OF ENGAGEMENT

Given that T. Rowe Price offers predominantly actively managed portfolios, in most cases we have the option not to invest in a situation where we see an impediment to reaching our investment goals. As a result, we are careful and selective in entering into an action-oriented engagement. Before embarking on any such engagement, we consider the following questions:

- Are we significant shareholders or bondholders?
- Do we expect to remain long-term investors in the security?
- To the extent that there are multiple portfolio managers within T. Rowe Price who own the security, do they all agree on the nature and extent of the problem?
- Do we have both a concrete understanding of the problem and a constructive solution to offer?
- Do we believe this engagement can lead to the change necessary in order to improve the investment's risk/return profile?

MANAGING POTENTIAL CONFLICTS OF INTEREST

With regard to voting and engagement activities, T. Rowe Price has adopted safeguards to ensure that these activities are not influenced by interests other than those of our advisory clients.

Generally speaking, the ownership structure of our company serves to eliminate certain categories of potential conflicts of interest with regard to our stewardship activities. T. Rowe Price Group, Inc., the parent company of our regional wholly owned investment advisers, is a publicly traded issuer, listed on the NASDAQ exchange in the United States. Our primary line of business is providing investment advisory services to clients, supported by certain ancillary services such as brokerage.

We have been in the investment management business since 1937 and have operated as a publicly traded corporation since 1986. The firm's size provides a solid, debt-free financial foundation to support our clients' needs. Our strong balance sheet and considerable financial resources are conservatively managed and have made our firm one of the strongest in the industry. Without preoccupation regarding stability and viability, we are enabled to focus on serving the investment management needs of our clients. Consequently, we do not encounter conflicts of interest related to transactional relationships with issuers of corporate securities across various divisions of our firm that we might encounter if we had a different ownership structure.

A discussion of managing conflicts of interest is available in our Proxy Voting Policies & Procedures document.
Visit www.troweprice.com/esgpolicy.

These are the core principles of the policy:

- Individuals whose primary duties relate to client-relationship management, marketing, or sales are not permitted to participate in discussions related to engagement.
- With respect to personal conflicts of interest, T. Rowe Price's Code of Ethics and Conduct requires all employees to avoid placing themselves in a compromising position in which their interests may conflict with those of our clients, and it restricts their ability to engage in certain outside business activities. Investment professionals with a personal conflict of interest regarding a particular issuer must recuse themselves and not participate in any decisions with respect to that engagement.
- All of our proactive, outbound engagements are initiated by T. Rowe Price investment professionals, including analysts, portfolio managers, or our specialists in responsible investment and corporate governance. Engagement plans are assessed and executed as described elsewhere in this policy, without regard to any business relationship between the issuer and T. Rowe Price.

PRINCIPAL ADVERSE IMPACTS POLICY

T. Rowe Price Associates, Inc., and its investment advisory affiliates, collectively referred to as T. Rowe Price, have adopted a Principal Adverse Impacts ("PAI") Policy in accordance with the European Union Sustainable Finance Disclosure Regulation ("SFDR"). T. Rowe Price considers and, where appropriate, incorporates into its investment and engagement processes the Principal Adverse Impacts of investment decisions. The policy explains how we integrate PAI into our investment process at the security level and how we employ an annual assessment to inform our engagement process and, where appropriate, engage with investee companies on specific PAI metrics.

For more information, please see our PAI Policy.

CONCLUSION

Engagement with companies on environmental, social and governance issues is a core part of our ESG integration process. As a significant investor for many of the world's leading companies, we are in a strong position to encourage ESG practices that will yield more robust future earnings. As noted in this policy, some our engagements seek to effect a specific change in a company's practices, while other engagements are conducted to build our knowledge of a company's exposure to and management of ESG issues. We believe that making environmental, social, and governance topics a core part of our overall investment discussion with companies helps ensure that management teams understand these factors are important investment considerations.

FREQUENTLY ASKED QUESTIONS

Q: Does T. Rowe Price publish the results of its engagements with companies?

A: We publish high-level engagement statistics in our ESG Annual Report and our annual UNPRI assessment, which are publicly available. Additionally, we regularly publish a sampling of illustrative case studies highlighting the facts and outcomes of select engagements. The purpose of these disclosures is to demonstrate, at a high level, the nature of our ESG engagement discussions with companies. Details of any ongoing or escalated engagements are not disclosed, so as to protect sensitive information connected to our investment views on a company.

Q: Under what circumstances does T. Rowe Price participate in engagement initiated by a company?

A: Generally, we are interested in engaging on ESG matters with any issuers in our clients' portfolios who wish to initiate such a dialogue. Due to capacity constraints, we are usually only able to speak with companies in which we hold a sizable stake in one or more actively managed, fundamentally oriented portfolios. We would define a stake as sizable when we are among the company's top 50 shareholders. We are not generally available to engage with companies where we do not hold a significant position in the security.

Q: How should issuers contact T. Rowe Price if they are interested in engagement?

A: Issuers may request meetings by emailing Engagement@TRowePrice.com. It is helpful if the company provides:

- a clear, specific request (*"We are requesting a conference call" is preferred over "We are checking in to see if you would like to provide any feedback"*);
- a general description of the topics the company's management would like to discuss;
- the desired time frame and nature of the meeting (conference call ,video call or in person); and
- contact details for the person in charge of arranging the meeting.

When requests are received through the Engagement@TRowePrice.com mailbox, an administrator will determine whether they should be directed to our Corporate Governance group, Responsible Investment group, or both. Then, a member of the appropriate group will respond to arrange the meeting.

Note: Issuers should not feel obligated to initiate engagement with T. Rowe Price if they do not find it useful or if there are no particular areas of concern at the present time. There is no expectation on our part that outreach should be conducted on a particular frequency, such as annually. Communication with the managements of the companies in our clients' portfolios is a core component of our process as active managers; additional engagement on ESG matters is not necessary in every case.

Q: Who should attend an engagement meeting from the issuer side? Who participates from the T. Rowe Price side?

A: For routine engagement, it is generally best to have the appropriate members of management (general counsel, chief human resources officer, investor relations officer, corporate secretary, head of sustainability) on the call, speaking with the T. Rowe Price specialist in governance or sustainability, or both, as appropriate. The agenda for the meeting should dictate the list of participants.

On occasion, T. Rowe Price may seek to initiate a higher-level discussion with a company when we believe there is an issue of governance or sustainability that has not been sufficiently addressed by management and may impede our ability to achieve our investment objectives. These discussions generally begin at the management level, but afterward we may request a meeting with one or more members of the Board of Directors. For these meetings, the optimal set of participants includes members of company management, directors, our corporate governance/sustainability specialist, our industry analyst, and the portfolio managers who hold the security in their clients' portfolios.

Q: What types of materials and preparation are useful in an engagement context?

A: It is not necessary to send materials in advance of a call, but we find summary presentations to be particularly useful as we build and maintain a history of the dialogue between each issuer and T. Rowe Price. Useful summary presentations generally contain:

- an overview of the company's performance highlights for the past year;
- a high-level description of the management incentive plan;
- a table describing the board members and their particular skills and experience;
- a description of any environmental or social key performance indicators the company considers material; and
- a list of key company contacts.

Issuers may also wish to review the **T. Rowe Price Proxy Voting** and **Responsible Investment** guidelines in advance of a call. The guidelines are located here: www.troweprice.com/esgpolicy

From our side of the table, we endeavor to prepare for each engagement call by reviewing the company's most recent proxy filing, voting results from the most recent shareholder meeting, recent internal analyst reports, the corporate sustainability report, and company news. In our experience, engagement meetings are more productive when each participant has the proper context ahead of time.

Q: Can engagement meetings be arranged by proxy solicitors or other third-party advisors?

A: Third parties may email Engagement@TRowePrice.com to schedule meetings on behalf of their clients. Please keep the following guidance in mind:

- Third-party advisors and proxy solicitors are not permitted to join T. Rowe Price engagement calls without our express permission in advance of the meeting.
- All participants on an engagement call should introduce themselves at the beginning of the call. It is unacceptable to listen in on the call without announcing your presence.
- Proxy solicitors should not use the email address above for purposes other than arranging meetings.
- Proxy solicitors should not contact T. Rowe Price investment analysts or portfolio managers directly under any circumstances.

INVEST WITH CONFIDENCE℠

T. Rowe Price focuses on delivering investment management excellence that investors can rely on—now and over the long term.

T. Rowe Price®

Important Information

This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

The information contained herein is as of February 2021 and is subject to change without notice; these views may differ from those of other T. Rowe Price associates.

This information is not intended to reflect a current or past recommendation, investment advice of any kind, or a solicitation of an offer to buy or sell any securities or investment services. The opinions and commentary provided do not take into account the investment objectives or financial situation of any particular investor or class of investor. Investors will need to consider their own circumstances before making an investment decision.

Information contained herein is based upon sources we consider to be reliable; we do not, however, guarantee its accuracy.

T. Rowe Price Group, Inc.