



# Proxy Voting Guidelines

This document summarizes the proxy voting guidelines of T. Rowe Price Investment Management, Inc. (“TRPIM”). This policy is reviewed annually.

As at 7 March 2022

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## RESPONSIBILITY TO VOTE PROXIES

- TRPIM recognizes and adheres to the principle that one of the privileges of owning stock in a company is the right to vote on issues submitted to shareholder vote.
- The registered investment companies to which TRPIM serves as investment adviser as well as other investment advisory clients have delegated to TRPIM certain proxy voting powers. As an investment adviser, TRPIM has a fiduciary responsibility to such clients when exercising its voting authority with respect to securities held in their portfolios.

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## T. Rowe Price Investment Management, Inc. Proxy Voting Guidelines

### Auditors

- 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.

This document is not applicable to T. Rowe Price Associates, Inc., (“TRPA”). TRPA votes proxies independently from T. Rowe Price Investment Management, Inc. and has adopted its own proxy voting guidelines.

## Election of Directors

### Director independence

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 super-voting control.

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 over-boarding 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.

AGAINST members of the Nominating and Corporate Governance Committee and the Lead Independent Director (or Independent Chair) in the following cases:

- For U.S.-listed companies controlled by means of dual-class stock with superior voting rights, our 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. We have become alarmed, in recent years, to see the number of such companies growing due to IPOs. 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 the case. If we conclude that the positive attributes of the investment, in total, outweigh the risks, we may make the decision to maintain an investment in the company despite the dual-class structure. However, we feel a responsibility to attempt to engage in dialogue with these companies about potential ways they could transition to a one-share, one-vote capital structure over time. 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, accompanied by engagement, is the appropriate way to express our view that control by means of dual-class stock with superior voting rights does not serve the long-term interests of investors.
- For U.S.-listed companies that maintain Classified Boards together with other antitakeover defenses for prolonged periods of time as a public company, we seek that mechanisms be put in place to de-classify the board and our guidelines are to vote against members of the Nomination and Corporate Governance Committee and Lead Independent director or Independent Chairman where this commitment is not forthcoming.

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;
- Company has demonstrated poor compensation practices, taking into consideration performance results and other factors; or
- Compensation Committee members approve excessive executive compensation or severance arrangements.

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 TRPIM.
- 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

Board diversity is an important issue for a growing number of investors, including TRPIM. At a high level, the composition of the average company board does not yet reflect the diversity of the stakeholders these companies represent — their employees, customers, suppliers, communities, or investors. 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 both gender and race should be present. For companies in the Americas, we currently generally oppose the re-elections of Governance Committee members if we find no evidence of current or recent board diversity on gender lines and from 2023 onwards, plan on opposing Governance Committee members where there is no evidence of current or recent Board diversity around race.

<b>Board chair independence</b>	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.
<b>Majority voting</b>	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.

## Key Guidelines

<b>Proxy contests</b>	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.
<b>Proxy access</b>	TRPIM 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. We support proposals suggesting ownership of three percent of shares outstanding with a three-year holding period as the standard for access to the proxy. We do not believe there should be undue impediments to a proponent's ability to aggregate holdings with other shareholders in order to qualify for access to the proxy. Generally, we will vote AGAINST proposals (whether sponsored by shareholders or by management) putting forth requirements materially different from these thresholds. We will also vote AGAINST shareholder proposals to amend existing proxy access bylaws if the company has already adopted a bylaw that meets the general parameters described above.
<b>Adopt or amend poison pill (management proposals)</b>	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.
<b>Annual vs. staggered board elections</b>	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.
<b>Adopt cumulative voting</b>	AGAINST
<b>Shareholder ability to call special meetings</b>	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.
<b>Shareholder ability to act by written consent</b>	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.
<b>Simple majority vs. supermajority provisions</b>	AGAINST proposals to require a supermajority shareholder vote. Generally FOR proposals to adopt simple majority requirements for all items that require shareholder approval.
<b>State or country of incorporation</b>	CASE-BY-CASE on domestic, state-to-state reincorporation. 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.

## Key Guidelines continued

<b>Dual-class equity</b>	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.
<b>Authorization of additional common stock</b>	CASE-BY-CASE
<b>Reverse stock split</b>	Generally, FOR proposals where there is a proportionate reduction in the number of authorized shares.
<b>Preferred stock</b>	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.
<b>Director compensation</b>	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.
<b>Mergers, acquisitions and corporate restructurings</b>	CASE-BY-CASE. The view of the portfolio manager is a primary consideration.
<b>Adjourn meeting or other business</b>	AGAINST, as the company should abide by the vote results as of the date of the meeting.
<b>Management Sponsored “Say on Climate Proposals”</b>	CASE-BY-CASE considering the company’s sector; the company’s existing level of disclosure and target setting; and the company’s Environmental pillar score on our Responsible Investing Indicator Model.
<b>Shareholder proposals of a social or environmental nature</b>	Shareholder proposals of a social or environmental nature – It is TRPIM policy to analyze every shareholder proposal of a social or environmental nature on a CASE-BY-CASE basis.
<b>Shareholder proposals related to political spending and lobbying</b>	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, TRPIM will generally support shareholder resolutions seeking additional disclosure. A company’s level of disclosure on this issue relative to its peers is a consideration, as is the level of consistency between a company’s public statements on ESG issues and the nature of its lobbying activity.

## T. Rowe Price Investment Management, Inc. Proxy Voting Policies and Procedures

### RESPONSIBILITY TO VOTE PROXIES

T. Rowe Price Investment Management, Inc. (“TRPIM”) views proxy voting as integral to its investment management responsibilities. Certain investment advisory clients of TRPIM, including U.S.-registered investment companies which TRPIM serves as investment adviser have delegated to TRPIM certain proxy voting powers. TRPIM seeks to vote all proxies of the securities held in client accounts for which it has proxy voting authority in the best interest of those clients.

#### **Fiduciary Responsibilities and Voting Considerations.**

TRPIM believes that it has a fiduciary obligation to vote proxies solely in the best interests of its clients. Our intent is to vote proxies, where possible to do so, in a manner consistent with our fiduciary obligations and responsibilities. One of the primary factors TRPIM considers when determining the desirability of investing in a particular company is the quality and depth of its management. As the management of a portfolio company is responsible for its day-to-day operations, as well as its long-term direction and strategic planning, TRPIM believes that management, subject to the oversight of the relevant board of directors, is typically best suited to make decisions that serve the interests of shareholders. Accordingly, our proxy voting guidelines are not intended to substitute our judgment for management’s with respect to the company’s day-to-day operations. Rather, our proxy voting guidelines are designed to promote accountability of a company’s management and board of directors to its shareholders; to align the interests of management with those of shareholders; and to encourage companies to adopt best practices in terms of their corporate governance and disclosure.

Our portfolio managers are responsible for making proxy voting decision in their clients’ best interests based on the facts and circumstances applicable to each company and issue. In addition to our own internal research, our investment personnel take into account additional factors when making voting decisions, including: our proxy voting guidelines, the issuer’s public filings, its board recommendations, its track record, country-specific best practices codes and input from external research providers. TRPIM investment personnel do not coordinate with investment personnel of its affiliated investment advisers with respect to proxy voting decisions. TRPIM’s proxy voting decisions are independent.

TRPIM seeks to vote all of its clients’ proxies. In certain circumstances, TRPIM may determine that refraining from voting a proxy is in a client’s best interest, such as when the cost of voting outweighs the expected benefit to the client. For example, the practicalities and costs involved with international investing may make it impossible at times, and at

other times disadvantageous, to vote proxies in every instance. Additionally, TRPIM reserves the right to decline to vote proxies in accordance with client-specific voting guidelines.

### ADMINISTRATION OF POLICIES AND PROCEDURES

**Environmental, Social and Governance Committee.** The TRPIM Environmental, Social and Governance Committee (“TRPIM ESG Committee”) is responsible for establishing positions with respect to corporate governance and other proxy issues. While the TRPIM ESG Committee sets voting guidelines and serves as a resource for TRPIM portfolio management, it does not have proxy voting authority for any advisory client. Rather, voting authority and responsibility is held by the particular portfolio manager.

**Responsible Investment and Governance Team.** Our Responsible Investment and Governance team oversees the integration of environmental, social and governance factors into our investment processes across asset classes. This team is responsible for reviewing proxy agendas for all upcoming meetings and making company-specific recommendations, including for matters of an environmental or social nature.

**Proxy Voting Team.** A team of individuals employed by an affiliated entity of TRPIM is responsible for the administrative and operational aspects of the proxy voting process, which is a ministerial process that does not involve the exercise of discretion. This team is subject to policies that prevent the sharing of voting decisions between TRPIM and its affiliated investment advisers.

### HOW PROXIES ARE REVIEWED, PROCESSED AND VOTED

In order to facilitate the proxy voting process, TRPIM has retained Institutional Shareholder Services (“ISS”) as an expert in the proxy voting and corporate governance area. ISS specializes in providing a variety of fiduciary-level proxy advisory and voting services. These services include custom vote recommendations, research, vote execution, and reporting. Services provided by ISS do not include automated processing of votes on our behalf using the ISS Benchmark Policy recommendations. Instead, in order to reflect TRPIM’s issue-by-issue voting guidelines as approved by the TRPIM ESG Committee, ISS maintains and implements custom voting policies for TRPIM’s advisory clients that have given it proxy voting authority.

TRPIM utilizes ISS’ voting agent services to notify us of upcoming shareholder meetings for portfolio companies held in client accounts and to transmit votes to the various custodian banks of our clients. ISS tracks and reconciles our

clients' holdings against incoming proxy ballots. If ballots do not arrive on time, ISS procures them from the appropriate custodian or proxy distribution agent. Meeting and record date information is updated daily and transmitted to TRPIM through ProxyExchange, an ISS application.

Each day, ISS delivers into TRPIM's customized ProxyExchange environment a comprehensive summary of upcoming meetings, proxy proposals, publications discussing key proxy voting issues, and custom vote recommendations to assist us with proxy research and processing. The final authority and responsibility for proxy voting decisions remains with TRPIM.

### **Monitoring and Resolving Conflicts of Interest**

The TRPIM ESG Committee is also responsible for monitoring and resolving potential material conflicts between the interests of TRPIM or its affiliates 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 investment advisory clients. Membership on the TRPIM ESG Committee does not include individuals whose primary duties relate to client relationship management, marketing, or sales. Since our voting guidelines are predetermined by the TRPIM ESG Committee, application of the guidelines by portfolio managers to vote client proxies should in most instances adequately address any potential conflicts of interest. However, the TRPIM ESG Committee regularly reviews all proxy votes that are inconsistent with the proxy voting guidelines to determine whether the portfolio manager's voting rationale appears reasonable. The TRPIM ESG Committee also assesses whether any business or other material relationships between T. Rowe Price and a portfolio company (unrelated to the ownership of the portfolio company's securities) could have influenced an inconsistent vote on that company's proxy. Issues raising potential conflicts of interest are referred to designated members of the TRPIM ESG Committee for immediate resolution prior to the vote.

With respect to personal conflicts of interest, the firm'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 restrict their ability to engage in certain outside business activities. Portfolio managers or TRPIM ESG 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* – TRPIM has voting authority for proxies of the holdings of certain investment funds sponsored by an affiliate (the "Price Funds") that invest in other Price Funds. In cases where the underlying fund of an investing Price Fund, including a fund-of-funds, holds a

proxy vote, TRPIM will mirror vote the fund shares held by the upper-tier fund in the same proportion as the votes cast by the shareholders of the underlying funds (other than the T. Rowe Price Reserve Investment Fund).

### **TRPIM Voting Policies**

Specific proxy voting guidelines have been adopted by the TRPIM ESG Committee for all regularly occurring categories of management and shareholder proposals. Many guidelines indicate a "case by case" analysis, reflecting that the facts and circumstances of each issue may vary.

### **Fixed Income Strategies**

Proxy voting for our fixed income portfolios is administered by the Proxy Voting team using TRPIM's guidelines as set by the TRPIM ESG Committee. Fixed income strategies generally follow the proxy vote determinations on security holdings held by our equity accounts unless the matter is specific to a particular fixed income security such as consents, restructurings, or reorganization proposals.

### **Shareblocking**

Shareblocking is the practice in certain countries of "freezing" shares for trading purposes in order to vote proxies relating to those shares. In markets where shareblocking applies, the custodian or sub-custodian automatically freezes shares prior to a shareholder meeting once a proxy has been voted. Our policy is generally to refrain from voting shares in shareblocking countries unless the matter has compelling economic consequences that outweigh the loss of liquidity in the blocked shares.

### **Securities on Loan**

The Price Funds and our institutional clients may participate in securities lending programs to generate income for their portfolios. 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. TRPIM'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 Banks**

TRPIM's parent holding company, T. Rowe Price Group, Inc. has obtained relief from the U.S. Federal Reserve Board (the "FRB Relief") which permits, subject to a number of conditions, TRPIM and its affiliated investment advisers (collectively, "T. Rowe Price") to acquire in the aggregate on



behalf of their 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 (and thus also TRPIM) 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.

## **REPORTING, RECORD RETENTION AND OVERSIGHT**

The TRPIM ESG Committee and the Proxy Voting Team, perform the following oversight and assurance functions, among others, over TRPIM’s proxy voting: (1) periodically samples proxy votes to ensure that they were cast in compliance with TRPIM’s proxy voting guidelines; (2) reviews, no less frequently than annually, the adequacy of the our proxy voting policy and guidelines to make sure that they have been implemented effectively, including whether they continue to be reasonably designed to ensure that proxies are voted in

the best interests of our clients; (3) performs due diligence on whether a retained proxy advisory firm has the capacity and competency to adequately analyze proxy issues, including the adequacy and quality of the proxy advisory firm’s staffing and personnel and its policies; and (4) oversees any retained proxy advisory firms and their procedures regarding their capabilities to (i) produce proxy research that is based on current and accurate information and (ii) identify and address any conflicts of interest and any other considerations that we believe would be appropriate in considering the nature and quality of the services provided by the proxy advisory firm.

TRPIM will furnish Vote Summary Reports, upon request, to its institutional clients that have delegated proxy voting authority. The report specifies the portfolio companies, meeting dates, proxy proposals, and votes which have been cast for the client during the period and the position taken with respect to each issue. Reports normally cover quarterly or annual periods and are provided to such clients upon request.

TRPIM retains proxy solicitation materials, memoranda regarding votes cast in opposition to the position of a company’s management, and documentation on shares voted differently. In addition, any document which is material to a proxy voting decision such as the TRPIM proxy voting guidelines, TRPIM ESG Committee meeting materials, and other internal research relating to voting decisions are maintained in accordance with applicable requirements.

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

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**Important Information**

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