UNITED STATES

PUBLIC FUND PROXY VOTING GUIDELINES UPDATES

2025 Policy Recommendations

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Voting on Director Nominees in Uncontested Elections

Board Responsiveness

Accountability - Shareholder Rights Plan (i.e. Poison Pills)

Current Public Fund Advisory Services Policy:	New Public Fund Advisory Services Policy:
Public Fund Advisory Services Recommendation: Generally vote against or withhold from all nominees (except new nominees[4], who should be considered case-by-case) if: ▪ The company has a long-term poison pill (with a term of over one year) that was not approved by the shareholders[10]; ▪ The board makes a material adverse modification to an existing pill, including, but not limited to, extension, renewal, or lowering the trigger, without shareholder approval; or ▪ The company has a poison pill with a deadhand or slowhand feature[11]. Vote case-by-case on nominees if the board adopts an initial short-term pill[11] (with a term of one year or less) without shareholder approval, taking into consideration: ▪ The disclosed rationale for the adoption; ▪ The trigger; ▪ The company's market capitalization (including absolute level and sudden changes); ▪ A commitment to put any renewal to a shareholder vote; and ▪ Other factors as relevant.	**Public Fund Advisory Services Recommendation:** Generally vote against or withhold from all nominees (except new nominees[4], who should be considered case-by-case) if: ▪ The company has a long-term poison pill (with a term of over one year) that was not approved by the public shareholders[10]; ▪ The board makes a material adverse modification to an existing pill, including, but not limited to, extension, renewal, or lowering the trigger, without shareholder approval; or ▪ The company has a poison pill with a deadhand or slowhand feature[11]. Vote case-by-case on nominees if the board adopts an initial short-term pill[11] (with a term of one year or less) without shareholder approval, taking into consideration: ▪ The trigger threshold and other terms of the pill; ▪ The disclosed rationale for the adoption; ▪ The context in which the pill was adopted (e.g., factors such as the company's size and stage of development, sudden changes in its market capitalization, and extraordinary industry-wide or macroeconomic events); ▪ A commitment to put any renewal to a shareholder vote; ▪ The company's overall track record on corporate governance and responsiveness to shareholders; and ▪ Other factors as relevant.

Footnotes: [4] A "new nominee" is a director who is being presented for election by shareholders for the first time. Recommendations on new nominees who have served for less than one year are made on a case-by-case basis depending on the timing of their appointment and the problematic governance issue in question. [10] Approval prior to, or in connection with, a company's becoming publicly traded, or in connection with a de-SPAC transaction, is insufficient. [11] If a short-term pill with a deadhand or slowhand feature is enacted but expires before the next shareholder vote, Public Fund Advisory Services will generally still recommend withhold/against nominees at the next shareholder meeting following its adoption.	**Footnotes:** [4] A "new nominee" is a director who is being presented for election by shareholders for the first time. Recommendations on new nominees who have served for less than one year are made on a case-by-case basis depending on the timing of their appointment and the problematic governance issue in question. [10] Approval prior to, or in connection with, a company's becoming publicly traded, or in connection with a de-SPAC transaction, is insufficient. [11] If a short-term pill with a deadhand or slowhand feature is enacted but expires before the next shareholder vote, Public Fund Advisory Services will generally still recommend withhold/against nominees at the next shareholder meeting following its adoption.

Rationale for Change:

Most poison pills in the US are now short-term pills, with a duration of one year or less, and are rarely submitted to shareholders for approval. This policy update clarifies the factors that will be considered in the case-by-case evaluation of whether the board's actions in adopting a short-term poison pill were reasonable, or whether the adoption of the pill should be deemed a governance failure warranting a recommendation to vote against directors. The additional factors for consideration are already considered by analysts under the category of "other factors as relevant," but the aim is to increase transparency by spelling out some of these factors. This policy clarification will not lead to a material increase or decrease in the number of recommendations against directors due to the adoption of a pill. There is no change at this time to the policy applied when a board adopts a long-term pill without a shareholder vote, or when a pill is submitted to shareholders for approval or ratification.

Mergers & Acquisitions / Corporate Restructurings

Special Purpose Acquisition Corporations (SPACs) - Proposals for Extensions

Current Public Fund Advisory Services Policy:	New Public Fund Advisory Services Policy:
Public Fund Advisory Services Recommendation: Vote case-by-case on SPAC extension proposals taking into account the length of the requested extension, the status of any pending transaction(s) or progression of the acquisition process, any added incentive for non-redeeming shareholders, and any prior extension requests. ▪ *Length of request:* Typically, extension requests range from two to six months, depending on the progression of the SPAC's acquisition process. ▪ *Pending transaction(s) or progression of the acquisition process:* Sometimes an initial business combination was already put to a shareholder vote, but, for varying reasons, the transaction could not be consummated by the termination date and the SPAC is requesting an extension. Other times, the SPAC has entered into a definitive transaction agreement, but needs additional time to consummate or hold the shareholder meeting. ▪ *Added incentive for non-redeeming shareholders:* Sometimes the SPAC sponsor (or other insiders) will contribute, typically as a loan to the company, additional funds that will be added to the redemption value of each public share as long as such shares are not redeemed in connection with the extension request. The purpose of the "equity kicker" is to incentivize shareholders to hold their shares through the end of the requested extension or until the time the transaction is put to a shareholder vote, rather than electing redemption at the extension proposal meeting. ▪ *Prior extension requests:* Some SPACs request additional time beyond the extension period sought in prior extension requests.	**Public Fund Advisory Services Recommendation:** Generally support requests to extend the termination date by up to one year from the SPAC's original termination date (inclusive of any built-in extension options, and accounting for prior extension requests). Other factors that may be considered include: any added incentives, business combination status, other amendment terms, and, if applicable, use of money in the trust fund to pay excise taxes on redeemed shares.

Rationale for Change:

This update is to convey and codify Public Fund Advisory Services Policy's present approach to SPAC extension recommendations. Since the SPAC boom during the pandemic, there has been a proliferation of so called "zombie SPAC," which can be described as those that have experienced heavy shareholder redemptions that leave minimal funds in the trust account. These SPACs have failed to consummate a business combination and have sought extensions to their termination dates, sometimes on multiple occasions and for multiple years. In light of these industry and other factors, the Public Fund Advisory Services Policy approach is to recommend support for extension requests of up to one year from the original termination date. Multiple extension requests may be looked at favorably so long as they do not collectively exceed one year in total. The "original termination date" start point is inclusive of any built-in extension options that were included in the original governing documents.

Corporate Responsibility and Accountability

General CSR Related

Tax Transparency

Current Public Fund Advisory Services Policy:	New Public Fund Advisory Services Policy:
None	**Public Fund Advisory Services Recommendation:** Generally vote for shareholder proposals that request the company to disclose on tax transparency and country-by-country reporting (CbCR), in alignment with internationally-accepted frameworks, such as the Global Reporting Initiative Tax Standard (GRI 207: Tax 2019) and the Organisation for Economic Co-operation and Development's (OECD) BEPS Action 13 (Base Erosion and Profit Shifting).

Rationale for Change:

This policy update codifies existing policy application. The newly codified policy will provide more transparency to the market about how assessments of these shareholder proposals are made.

Environment & Climate Change

Environmental Justice

Current Public Fund Advisory Services Policy:	New Public Fund Advisory Services Policy:
None	Companies have faced proposals addressing environmental justice concerns, focused on vulnerable stakeholders – particularly communities of color and low-income communities – who are disproportionately impacted by environmental pollution. These heightened risks can be exacerbated by climate change. **Public Fund Advisory Services Recommendation:** Generally vote for shareholder proposals requesting disclosure of an environmental justice report, as well as a third-party environmental justice assessment.

Rationale for Change:

This policy update codifies existing policy application. The newly codified policy will provide more transparency to the market about how assessments of these shareholder proposals are made.

Financed Emissions

Current Public Fund Advisory Services Policy:	New Public Fund Advisory Services Policy:
None	**Public Fund Advisory Services Recommendation:** For financial institutions and companies that provide financial services, generally vote for shareholder proposals that request the company to increase disclosure of its financed emissions and/or to adopt a policy to reduce its financed emissions. Financed emissions (scope 3, category 15) are emissions associated with a company's investments, not already covered under scopes 1 and 2 – including but not limited to equity investments, debt investments, and project finance. Information that will be considered where available includes the following: ▪ The completeness, feasibility, and rigor of the company's financed emissions disclosure; ▪ Whether the company's decarbonization targets and climate transition plan are in alignment with the Paris Agreement, the International Energy Agency's (IEA) Net Zero Emissions by 2050 Scenario, and other internationally recognized frameworks; ▪ Whether the company's methodology is in alignment with the Greenhouse Gas Protocol (GHG Protocol), the Partnership for Carbon Accounting Financials (PCAF), and other generally accepted calculation and reporting methodologies; and ▪ Whether the proposal's request is unduly burdensome (scope or timeframe) or overly prescriptive.

Rationale for Change:

This policy update codifies existing policy application. The newly codified policy will provide more transparency to the market about how assessments of these shareholder proposals are made.

Greenhouse Gas Emissions

Current Public Fund Advisory Services Policy:	New Public Fund Advisory Services Policy:
Scientists generally agree that gases released by chemical reactions including the burning of fossil fuels contribute to a "greenhouse effect" that traps the planet's heat. Environmentalists claim that the greenhouse gases produced by the industrial age have caused recent weather crises such as heat waves, rainstorms, melting glaciers, rising sea levels and receding coastlines. With notable exceptions, a number of business leaders have described the rise and fall of global temperatures as naturally occurring phenomena and depicted corporate impact on climate change as minimal. Shareholder proposals asking a company to issue a report to shareholders – at reasonable cost and omitting proprietary information – on greenhouse gas emissions ask that the report include descriptions of efforts within companies to reduce emissions, their financial exposure and potential liability from operations that contribute to global warming, and their direct or indirect efforts to promote the view that global warming is not a threat. Proponents argue that there is scientific proof that the burning of fossil fuels causes global warming, that future legislation may make companies financially liable for their contributions to global warming, changing market dynamics and consumer preferences may impact demand for fossil fuels, and thus shareholder value, and that a report on the company's role in global warming can be assembled at reasonable cost. **Public Fund Advisory Services Recommendation:** ▪ Generally vote for shareholder proposals calling for a company to commit to reducing its greenhouse gas emissions under a reasonable timeline. ▪ Generally vote for resolutions requesting that a company disclose information on the financial, physical, or regulatory risks related to climate change on its operations and investments, or on how the company identifies, measures, and manages such risks. ▪ Generally vote for proposals requesting a report on greenhouse gas (GHG) emissions from company operations and/or products and operations.	Scientists generally agree that gases released by chemical reactions including the burning of fossil fuels contribute to a "greenhouse effect" that traps the planet's heat. Environmentalists claim that the greenhouse gases produced by the industrial age have caused recent weather crises such as heat waves, rainstorms, melting glaciers, rising sea levels and receding coastlines. With notable exceptions, a number of business leaders have described the rise and fall of global temperatures as naturally occurring phenomena and depicted corporate impact on climate change as minimal. Shareholder proposals asking a company to issue a report to shareholders – at reasonable cost and omitting proprietary information – on greenhouse gas emissions ask that the report include descriptions of efforts within companies to reduce emissions, their financial exposure and potential liability from operations that contribute to global warming, and their direct or indirect efforts to promote the view that global warming is not a threat. Proponents argue that there is scientific proof that the burning of fossil fuels causes global warming, that future legislation may make companies financially liable for their contributions to global warming, changing market dynamics and consumer preferences may impact demand for fossil fuels, and thus shareholder value, and that a report on the company's role in global warming can be assembled at reasonable cost. **Public Fund Advisory Services Recommendation:** ▪ Generally vote for shareholder proposals calling for a company to commit to reducing its greenhouse gas emissions under a reasonable timeline. ▪ Generally vote for resolutions requesting that a company disclose information on the financial, physical, or regulatory risks related to climate change on its operations and investments, or on how the company identifies, measures, and manages such risks. ▪ Generally vote for proposals requesting a report on greenhouse gas (GHG) emissions from company operations and/or products and operations.

	▪ Generally vote for shareholder proposals that request the company to disclose a report on reducing methane emissions and to assess the reliability of the company's methane emission disclosures.

Rationale for Change:

This policy update codifies existing policy application.

Just Transition

Current Public Fund Advisory Services Policy:	New Public Fund Advisory Services Policy:
None	Companies have faced proposals requesting disclosure on the just transition – addressing stakeholder concerns within a company's value chain with regards to the effects of climate change and the energy transition. Relevant stakeholder groups can include employees, suppliers (and workers in supply chains), communities impacted by operations, and other vulnerable groups potentially affected by a company's climate change strategy. Just transition disclosure should adequately assess, consult on, and address impacts on affected stakeholders regarding climate change risks. **Public Fund Advisory Services Recommendation:** Generally vote for shareholder proposals requesting just transition and labor protection disclosure, in alignment with the International Labour Organization, the World Benchmarking Alliance, and other generally accepted guidelines and indicators.

Rationale for Change:

This policy update codifies existing policy application. The newly codified policy will provide more transparency to the market about how assessments of these shareholder proposals are made. Additionally, this change incorporates recent client roundtable feedback.

Natural Capital

Current Public Fund Advisory Services Policy:	New Public Fund Advisory Services Policy:
None	Natural capital disclosure has moved into the mainstream of climate change reporting. The Taskforce on Nature-related Financial Disclosures (TNFD) and the Kunming-Montreal Global Biodiversity Framework have mobilized widespread recognition of the fact that Paris Agreement-aligned targets can only be achieved by integrating natural capital-related concerns. As such, there has been increased market uptake around natural capital disclosures and commitments, particularly around TNFD-aligned reporting, as well as alignment with other internationally accepted reporting frameworks. **Public Fund Advisory Services Recommendation:** Generally vote for shareholder proposals requesting disclosure of TNFD-aligned reporting, including but not limited to a biodiversity impact and dependency assessment. Information that will be considered where available includes the following: ▪ The completeness, feasibility, and rigor of the company's natural capital-related disclosure; ▪ Whether the company's natural capital disclosure adequately incorporate governance, strategy, risk and impact management, and metrics and targets; ▪ Whether the company's targets and climate transition plan are in alignment with TNFD, the Global Biodiversity Framework, the Paris Agreement, and other internationally recognized frameworks; and ▪ Whether the proposal's request is unduly burdensome (scope or timeframe) or overly prescriptive. Natural capital-related shareholder proposals also encompass a broad range of industries. Various market-led initiatives have identified key sectors for investor-issuer engagement, including but not limited to: chemicals, consumer goods, food and agriculture, forestry, mining, oil and gas, packaging, and pharmaceuticals. Some proposals also address indigenous peoples' rights, which is also a key consideration for natural capital frameworks. **Public Fund Advisory Services Recommendation:** Generally vote for shareholder proposals requesting companies to increase disclosure and/or to adopt sustainable sourcing policies with regards to natural capital-related risks, dependencies, and impacts.

Rationale for Change:

This policy update codifies existing policy application. The newly codified policy will provide more transparency to the market about how assessments of these shareholder proposals are made.

In recent years, there has been an increased number of shareholder proposals focused on biodiversity and other connected environmental topics such as deforestation and water pollution. Biodiversity and related environmental topics are now commonly grouped under the theme of natural capital which has become a frequent topic for many investors to consider, as biodiversity and ecosystem loss may create societal risks and negative economic and business risks. This update keeps the policy abreast of the evolving focus seen in shareholder proposals on topics such as natural capital and/or community impact risks. With developments in frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD) and Kunming-Montreal Global Biodiversity Framework (GBF) which challenge companies and industry sectors to address drivers of biodiversity loss and push for increased company disclosure in managing nature-related risks, this policy update will better reflect the variety of natural capital-related proposals companies may receive in the coming years.

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