SANDERS CAPITAL

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PROXY VOTING GUIDELINES[1]

(Updated May 11, 2022)

Sanders Capital, LLC (Sanders Capital) has adopted proxy voting procedures and guidelines to govern proxy voting by the firm for use where our investment management clients have delegated to us the responsibility for voting proxies. We have established a Proxy Committee (the Committee), made up of senior officers of the firm, to administer the voting process and oversee the implementation of the resulting voting decisions. The firm has retained a proxy voting service to implement the Committee's decisions and keep records of votes taken for clients' accounts.

The overarching objective in voting is to support proposals and director nominees that maximize the value of shareholders' investments over the long term. Clients receive proposals that are varied and frequently complex. Our guidelines provide a rigorous framework for assessing each proposal on its merits, taking into account the particular facts and circumstances presented.

In evaluating proxy proposals, we consider information from many sources, including but not limited to the views of our investment management and research staff, the management or shareholders of a company presenting a proposal, and independent proxy research services. We will give substantial weight to the recommendations of the company's board, absent guidelines or other specific facts that would support a vote against management. In all cases, however, the ultimate decision rests with the members of the Proxy Committee.

While serving as a framework, the following guidelines cannot contemplate all possible proposals with which we may be presented. In the absence of a specified guideline for a particular proposal, the Committee will evaluate the issue and cast a vote in a manner that, in the Committee's view, will maximize the value of clients' investments. There may be cases where the Committee may not follow a particular guideline if it believes doing so will not be in clients' best interests. We may refrain from voting if that would be in our clients' interests, if, for example, if exercising the vote would result in the imposition of trading or other restrictions.

I. THE BOARD OF DIRECTORS

A. Election of directors

The Committee believes that good governance starts with a majority-independent board, whose key committees are made up entirely of independent directors. As such, the directors who serve on the Compensation, Nominating, and Audit committees should all be independent directors. We generally will support shareholder proposals that companies amend their by-laws to provide that director nominees be elected by an affirmative vote of a majority of the votes cast.

[1] Adopted March 4, 2010; Revised May 22, 2012; May 6, 2014, July 13, 2017, August 15, 2018, October 29, 2020; November 29, 2021; May 11, 2022.

Unless there is a proxy fight for seats on the Board or we determine that there are compelling reasons for withholding votes for directors, we will generally support the board's nominees. But there are times when we will cast votes against this slate of nominees. The following factors will be taken into account in determining each vote:

Factors for Approval	Factors Against Approval
Nominated slate results in board made up of a majority of independent directors	Nominated slate results in board made up of a majority of non-independent directors.
All members of the Audit, Nominating, and Compensation committees are independent of management.	Audit, Nominating, and/or Compensation committees include non-independent members.
	Incumbent board member failed to attend at least 75% of meetings in the previous year.
	Actions of committee(s) on which nominee serves are inconsistent with other guidelines (*e.g.,* excessive option grants, substantial non-audit fees, lack of board independence).
	Nominee is a CEO or other senior executive who serves on more than two public company boards in addition to his own, or, if not a CEO or senior executive, serves on more than four such boards.

B. Contested director elections

In the case of contested board elections, we will evaluate the nominees' qualifications, the performance of the incumbent board, as well as the rationale behind the dissidents' campaign, to determine the outcome that we believe will maximize shareholder value.

C. Classified boards

The Proxy Committee will generally support proposals to declassify existing boards (whether proposed by management or shareholders) and will block efforts by companies to adopt classified board structures in which only part of the board is elected each year.

D. Independent chairperson

The Proxy Committee will vote in favor of separating the positions of Chairperson of the Board and CEO unless it determines that it is in the Shareholders' best interest for one person to serve in both roles.

II. APPROVAL OF INDEPENDENT AUDITORS

The relationship between the company and its auditors should be limited primarily to the audit, although it may include certain closely related activities that do not, in the aggregate, raise any appearance of impaired independence. We will generally support management's recommendation for the ratification of the auditor, except in instances in which audit and audit-related fees make up less than 50% of the total fees paid by the company to the audit firm. We will evaluate on a case-by-case basis instances in which the audit firm has a substantial non-audit relationship with the company (regardless of its size relative to the audit fee) as well as if there are other reasons to question the independence or performance of the auditors. We will support proposals that a lead auditor of the firm not serve as such for more than five years and that an audit firm not serve for more than twenty years.

III. COMPENSATION ISSUES

A. Stock-based compensation plans

Appropriately designed stock-based compensation plans, administered by an independent committee of the board and approved by shareholders, can be an effective way to align the interests of long-term shareholders with the interests of management, employees, and directors. The Committee opposes plans that, taken together with shares available for grant under other existing plans, substantially dilute shareholders' ownership interests in the company, provide participants with excessive awards, or have inherently objectionable structural features. The Committee also generally opposes executive compensation plans where there is inadequate disclosure of the plans' terms.

The Proxy Committee believes that company management and the compensation committee of the board of directors should, within reason, be given latitude to determine the types and mix of compensation and benefit awards offered to company employees. However, we will evaluate compensation proposals in the context of several factors (*e.g.,* a company's industry, market capitalization, competitors for talent, etc.) to determine whether a particular plan or proposal balances the perspectives of employees and the company's other shareholders. We will evaluate each proposal on a case-by-case basis, taking all material facts and circumstances into account.

The following factors will be among those considered in evaluating these proposals.

Factors For Approval	Factors Against Approval
Company requires senior executives to hold a minimum amount of company stock (frequently expressed as a multiple of salary).	Total potential dilution (including all stock-based plans) exceeds 15% of shares outstanding.
Company requires stock acquired through option exercise to be held for a certain period of time.	Annual option grants have exceeded 2% of shares outstanding.
Compensation program includes performance-vesting awards, indexed options, or other performance-linked grants.	Plan has below market value exercise prices on the date of issuance.

Factors For Approval	Factors Against Approval
Concentration of options grants to senior executives is limited (indicating that the plan is very broad-based).	Plan permits re-pricing or replacement of options without shareholder approval.
Stock-based compensation is clearly used as a substitute for cash in delivering market-competitive total pay.	Plan provides for the issuance of reload options.
Company must expense compensatory employee stock options.	Disclosure of terms of executive compensation plan is inadequate.
	Plan contains automatic share replenishment (evergreen) feature.

B. Bonus plans
Bonus plans, which must be periodically submitted to shareholder approval to qualify for deductibility under Section 162(m) of the IRC, should have clearly defined performance criteria and maximum awards expressed in dollars. Bonus plans with awards that are excessive, in both absolute terms and relative to a comparative group, generally will not be supported.

C. Employee stock purchase plans
The Proxy Committee will generally support the use of employee stock purchase plans to increase company stock ownership by employees, provided that shares purchased under the plan are acquired for no less than 85% of their market value and that shares reserved under the plan amount to less than 5% of the outstanding shares.

D. Executive severance agreements (golden parachutes)
Although executives' incentives for continued employment should be more significant than severance benefits, there are instances—particularly in the event of a change in control—in which severance arrangements may be appropriate. Severance benefits triggered by a change in control that do not exceed three times an executive's salary and bonus may generally be approved by the compensation committee of the board without submission to shareholders. Any such arrangement under which the beneficiary receives more than three times salary and bonus—or where severance is guaranteed absent a change in control—should be submitted for shareholder approval.

IV. CORPORATE STRUCTURE AND SHAREHOLDER RIGHTS

The exercise of shareholder rights, in proportion to economic ownership, is a fundamental privilege of stock ownership that should not be unnecessarily limited. Such limits may be placed on shareholders' ability to act by corporate charter or by-law provisions, or by the adoption of certain takeover provisions. In general, the market for corporate control should be allowed to function without undue interference from these artificial barriers.

The Proxy Committee's positions on a number of the most commonly presented issues in this area are as follows:

A. Shareholder rights plans (poison pills)

A company's adoption of a so-called poison pill effectively limits a potential acquirer's ability to buy a controlling interest without the approval of the target's board of directions. Such a plan, in conjunction with other takeover

defenses, may serve to entrench incumbent management and directors. However, in other cases, a poison pill may force a suitor to negotiate with the board and result in the payment of a higher acquisition premium.

In general, shareholders should be afforded the opportunity to approve shareholder rights plans within a year of their adoption. This provides the board with the ability to put a poison pill in place for legitimate defensive purposes, subject to subsequent approval by shareholders. In evaluating the approval of proposed shareholder rights plans, we will consider the following factors:

Factors For Approval	Factors Against Approval
Plan is relatively short-term 3-5 years.	Plan is long term (*i.e.,* >5 years).
Plan requires shareholder approval for renewal.	Renewal of plan is automatic or does not require shareholder approval.
Plan incorporates review by a committee of independent directors at least every three years (so-called TIDE provisions).	Ownership trigger is less than 15%.
Highly independent, non-classified board.	Board with limited independence. Classified board.
Plan includes permitted-bid/qualified-offer feature (chewable pill) that mandates a shareholder vote in certain situations.	
Ownership trigger is reasonable (15-20%).	

B. Cumulative voting

The Committee is generally opposed to cumulative voting under the premise that it allows shareholders a voice in director elections that is disproportionate to their economic investment in the corporation.

C. Supermajority vote requirements

The Committee supports shareholders' ability to approve or reject matters presented for a vote based on a simple majority. Accordingly, we will support proposals to remove supermajority requirements and oppose proposals to impose them.

D. Right to call meetings and act by written consent

The Committee supports proposals by ≥10% of the shareholders to call special meetings of the board (for good cause) and to act by written consent. The Committee will generally vote for proposals to grant these rights to shareholders and against proposals to abridge them.

E. Confidential voting

The integrity of the voting process is enhanced substantially when shareholders (both institutions and individuals) can vote without fear of coercion or retribution based on their votes. As such, the Committee supports proposals to provide confidential voting.

F. Dual classes of stock

We are opposed to dual class capitalization structures that provide disparate voting rights to different groups of shareholders with similar economic investments. We will oppose the creation of separate classes with different voting rights and will support the dissolution of such classes.

G. Changes in Legal and Capital Structure

Unlike some of the changes described above, many changes in a company's charter, articles of incorporation or by-laws are technical and administrative in nature. The Proxy Committee generally votes in accordance with management's recommendations on such proposals. For example, we generally support proposals to increase authorized common stock when it is necessary to implement a stock split, aid in a restructuring or acquisition of which we approve, or provide sufficient shares for an employee savings plan, stock option plan or executive compensation plan.

V. ENVIRONMENTAL, SOCIAL, & GOVERNANCE (ESG) POLICY ISSUES

At Sanders Capital, Environmental, Social, and Governance (ESG) issues are an integral part of the fundamental research process. A responsible approach to ESG can confer competitive advantages to the companies that pursue them and pose considerable risks if disregarded. In our experience, companies that have a culture of "doing the right thing" make among the best investments especially when qualified (as they must be) on valuation grounds as well.

ESG related issues are explicitly evaluated when striking sustainable earnings power forecasts and the disposition of corporate cash flows. In this regard, the firm's co-CIOs take advantage of their multi-decade research management experience, covering almost all important industries and geographies. That experience has led us to the conviction that ESG should be an integrated component of the investment process to avoid exposure to:

- business models that threaten the environment in a manner that cannot be remediated, and thus may prove unsustainable;
- unethical business practices that can engender both financial and reputational damage;
- business models based on workforce compensation, benefits or other factors that appear exploitative and thus unsustainable; and
- misalignment of incentives and objectives of management, boards of directors, and other parties such that shareholder interests might be seriously compromised.

We utilize outside ESG experts—Sustainalytics and Bloomberg (which provides some ESG-specific information) and also engage with Hermes periodically to discuss trends and issues that they see unfolding. These providers

can help us better understand the sustainability of our investments' earnings power. In addition, we look to government and other independent databases of customer complaints, company-provided ESG reports, and explore issues highlighted by our internal and external research directly with management teams.

We directly participate in issuer engagement activities. These engagement activities are fully integrated with our investment process; they are led by members of our fundamental research team (*i.e.,* the research analysts, associates and co-CIOs that are closest to the companies and industries and our investment decisions regarding them). We believe these activities can both be an important means for us to help improve the underlying governance and operations of the companies and aid our research processes by building our relationships with the people, companies, consultants and industry bodies involved. These activities also advance our understanding of the evolving ESG landscape and the underlying issues these stakeholders seek to address. Engagement can (and has) at times extended beyond discussions with management and board members: our investment team has participated in small-group forums and consultant-led interviews (representing corporates and industry bodies) to encourage shareholder-friendly, positive ESG and financial reporting changes at portfolio companies and for industry-wide changes that have the prospect of improving standards for future potential investments, societies, and the environment at large.

We evaluate all proposals linking executive compensation to ESG and sustainability metrics based on the following factors: (a) is the ESG or sustainability issue material to a company's business strategy, (b) are the ESG and sustainability metrics objective, (c) do the metrics allow assessment of a company's progress towards its long-term ESG and sustainability goals, and (d) is the proposal in the best interest of the long-term shareholders.

Our views on proxy issues that arise in various corporate governance issues and alignment of shareholder and management objectives with respect to compensation are addressed above. Proxy proposals that raise other ESG issues, initiated primarily by shareholders, typically request that the company disclose or amend certain business practices. The Committee generally believes that these ESG proposals are primarily the responsibility of management and should be evaluated and approved by the corporation's board of directors, absent a compelling economic impact on shareholder value. If we see such economic impact we will vote accordingly. The Committee may abstain from voting on these proposals.

VI. POLITICAL CONTRIBUTIONS & LOBBYING EXPENSES

The Committee generally supports proposals for disclosure of a company's contributions to political campaigns of candidates for federal, state or local office and other organizations that support such candidates. In general, the Committee does not support requirements that all lobbying expenses be disclosed.

VII. PROXY VOTING IMPLEMENTATION

The Chief Investment Officers of Sanders Capital are responsible for the following functions: (1) analyzing proxy proposals using factors described in the guidelines; (2) determining and addressing potential or actual conflicts of interest that may be presented by a particular proxy; and (3) determining how to vote proxies. The Director of Operations of Sanders Capital is responsible for oversight of the following functions: (1) managing proxy voting vendors and (2) oversight of the implementation of the voting instructions of the Chief Investment Officers.

The Proxy Voting Committee also prepares periodic and special reports to the Board of Managers of Sanders Capital, and any proposed amendments to the procedures and guidelines.

VIII. THE PROXY VOTING COMMITTEE

The Board of Managers of Sanders Capital appoints the Proxy Voting Committee. The Committee does not include anyone whose primary duties include external client relationship management or sales. This clear separation between the proxy voting and client relationship functions is intended to eliminate any potential conflict of interest in the proxy voting process. In the unlikely event that a member of the Committee believes he or she might have a conflict of interest regarding a proxy vote, that member must recuse himself or herself from the committee meeting at which the matter is addressed, and not participate in the voting decision.
The Committee has an obligation to conduct its meetings and exercise its decision-making authority subject to the fiduciary standards of good faith, fairness, and Sanders Capital's Code of Ethics. In determining how to apply the guidelines to a particular factual situation, the Committee may not take into account any interest that would conflict with the interest of the firm's investment management clients in maximizing the value of their investments.

Clients may obtain a free copy of a report that details how the proxies relating to their account were voted by contacting the Chief Compliance Officer of Sanders Capital.