Egan-Jones
PROXY SERVICES

Wealth-Focused Policy: 2025 Updates

August 2025

I. Overview of updates in 2025

Recommendations for the Wealth-Focused Policy are based only on protecting and enhancing investor wealth. While this philosophy has not changed from 2024-2025, there have been changes in its implementation. These include the addition of new categories as well as a change in how we evaluate certain types of proposals. This section summarizes those changes, and later sections outline these changes in detail.

Director elections

The performance of the company over the director's tenure is now taken into consideration. Additionally, recommendations for management proposals related to adopting or amending the board nomination procedures are now determined by a test rather than an automatic AGAINST.

Director and executive compensation

Shareholder proposals related to confidential voting for executive pay now automatically recommend FOR instead of AGAINST. Management proposals related to approving an incentive stock option plan for a SPAC now automatically recommend AGAINST rather than being determined by a test. Proposal categories related to approving bonuses and retirement plans were added.

Governance

Proposal categories related to removal and discharge of auditors, appointment and remuneration of sustainability auditors, and restricting the nomination of directors were added.

Corporate operations (including human resources, health, safety, and environment)

Shareholder proposal categories related to climate plans and product information reports were added.

Procedure

Some "routine" proposal categories including accepting financial statements and statutory reports, approving dividends, approving a stock exchange listing, approving the previous meeting's minutes, and electing a company secretary were added.

Auditors

Proposal categories related to removal and discharge of auditors and appointment and remuneration of sustainability auditors were added.

Shareholder rights

Proposal categories related to confidential voting, compensation upon termination, preemptive rights, and shareholder rights were added.

Mergers, acquisitions, and restructuring

Recommendations for proposal categories related to adopting a greenmail provision were changed from case-by-case to AGAINST. Recommendations for proposal categories related to changing the jurisdiction of incorporation were changed from case-by-case to FOR. Proposal categories related to proceeding with bankruptcy were added.

Capitalization

Proposals related to “change of a share par value” now have recommendations determined by a test rather than an automatic FOR vote. Proposal categories related to approving dividends and stock terms revisions, issuance of bonds, and issuance of shares were added.

II. Recommendation Changes

Some recommendation logic was changed, which is outlined below.

Proposals by management | Capitalization

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Change share par value	FOR	We generally recommend FOR if the new par value is less than or equal to the old par value.

Proposals by management | Compensation

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Approve incentive stock option plan (SPAC)	3% Dilution Threshold	We recommend a vote AGAINST this proposal because according to our policy, this proposal would dilute shareholder value in this special purpose acquisition company and is therefore not in the shareholders' best interests. Because the company is a SPAC, management is already highly incentivized through founder shares and warrants, and an incentive stock option plan would be unnecessary and potentially excessive.

Proposals by management | Directors

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Adopt/amend board nomination procedure	AGAINST	We generally recommend FOR if the following conditions are met: the candidate nominations can be submitted within 90 days of the annual meeting and the director information disclosure is required.

Proposals by management | M&A / Structure

Proposal Category	2024 Vote Recommendation	2025 Vote Recommendation
Adopt greenmail provision	Case-by-case	We generally recommend AGAINST because according to our policy, the adoption of greenmail provision will pave the way for a potential hostile takeover which could be detrimental to the shareholders' interests.
Change domicile / jurisdiction of incorporation	Case-by-case	We generally recommend FOR because according to our policy, changing the Company's legal domicile is necessary to align the legal structure of the Company in a manner that is more consistent with their business objectives.

Proposals by management | Meeting and Proxy Statement

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Restrict right to act by written consent	Case-by-case	We generally recommend AGAINST because according to our policy, the right to act on written consent allows an increased participation of shareholders in the voting process, thereby democratizing voting and giving the shareholders the right to act independently from the management.

Proposals by shareholders | Voting

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Ensure confidential voting on executive pay	AGAINST	We generally recommend FOR because according to our policy, approval of the proposal will preserve the confidentiality and integrity of vote outcomes regarding executive pay, which will ensure that the Company's executive compensation policies and procedures are aligned with the best interests of the Company and its shareholders.

III. New Categories

In 2025, the methodology used to categorize and analyze proposals was updated. This new method provides better transparency and accuracy and resulted in the creation of new categories. These new categories, along with a vote recommendation and explanation, are below.

Proposals by management | Accounting

Proposal Category	Vote Recommendation
Accept accounting irregularity	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year then ended in accordance with the law.
Accept financial statements/statutory report	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year then ended in accordance with the law.
Receive annual report and accounts	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year then ended in accordance with the law.

Proposals by management | Auditor

Proposal	Vote Recommendation
Approve discharge of auditors	We generally recommend FOR because after reviewing the auditor acts for the fiscal year that has ended, we find it advisable to grant discharge from liability to the auditors.
Remove auditor	We generally recommend a vote FOR the removal of the auditors whenever the Company may deem it necessary to ensure auditor independence and integrity.

Proposals by management | Capitalization

Proposal	Vote Recommendation
Allot securities	We generally recommend FOR because according to our policy, the allotment of shares or securities will enable the Company to capitalize on future business opportunities. This flexibility provides the Company with the ability to act promptly and strategically to business decisions, ensuring it remains competitive and well-positioned for long-term success.
Approve dividends	We generally recommend FOR because according to our policy, the proposed dividend payout will not put the company´s liquidity at risk.
Approve stock terms revision	This proposal is considered on a case-by-case basis by the guidelines committee.
Convert shares	We generally recommend FOR when the conversion would provide equal rights to shareholders.
Decrease authorized shares	We generally recommend FOR because according to our policy, the proposed decrease in authorized shares will provide the Company with greater strategic flexibility in managing dilution and its capital structure.
Issue bonds	We generally recommend FOR because according to our policy, approval of this proposal will give the Company greater flexibility in considering and planning for future corporate needs, including, but not limited to, stock dividends, grants under equity compensation plans, stock splits, financings, potential strategic transactions, including mergers, acquisitions, and business combinations, as well as other general corporate transactions.
Issue shares below NAV	We generally recommend FOR because according to our policy, issuing shares below net asset value (NAV) would provide the Fund with flexibility in raising capital, reducing debt, preventing insolvency, and funding strategic acquisitions or growth opportunities. While it typically leads to dilution, a discounted issuance can be used in ways that may ultimately enhance shareholder value, improve financial stability, and position the company for long-term success.
Issue shares upon exercise of warrants	We generally recommend FOR because according to our policy, the proposed issuance of shares will provide the Company with a source of capital to fund its corporate endeavors and activities.
Stock exchange listing	We generally recommend FOR because according to our policy, approval of the stock exchange listing would create investment opportunities for the Company and provide greater liquidity while diversifying the risks associated with it.

Proposals by management | Climate/Resources

Proposal	Vote Recommendation
Approve sustainability auditor	We generally recommend a vote AGAINST because according to our policy, the appointment of a separate sustainability auditor is unwarranted, given that the Company already integrates sustainability into its existing audit process. The Company's current approach effectively addresses sustainability concerns without the need for additional oversight. Furthermore, approval of this proposal would impose unnecessary costs and administrative burdens, diverting resources from other critical business priorities.
Approve sustainability report	We generally recommend a vote AGAINST because, according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway.

Proposals by management | Compensation

Proposal	Vote Recommendation
Approve bonuses	We generally recommend FOR when the following calculation exceeds the 25th percentile: the total shareholder return (tsr) over a recent period divided by the CEO (or similar) compensation and translated into a percentile (compared to other companies).
Approve employment/management/severance/partnership agreement	This proposal is considered on a case-by-case basis by the guidelines committee.
Approve executive/director/related party transactions	We generally recommend FOR because according to our policy, the related party transaction is advisable, substantively and procedurally fair to, and in the best interests of the Company and its shareholders.
Approve other compensation	This proposal is considered on a case-by-case basis by the guidelines committee.
Approve retirement plan / allowance	We generally recommend FOR when the following calculation exceeds the 25th percentile: the total shareholder return (tsr) over a recent period divided by the CEO (or similar) compensation and translated into a percentile (compared to other companies).

Proposal	Vote Recommendation
Distribute profit/dividend/etc according to plan	We generally recommend FOR because according to our policy, the proposed distribution plan will not put the company´s liquidity at risk.

Proposals by management | Directors

Proposal	Vote Recommendation
Approve spill resolution	We generally recommend FOR when the following calculation exceeds the 25th percentile: the total shareholder return (tsr) over a recent period divided by the CEO (or similar) compensation and translated into a percentile (compared to other companies).
Authorize exculpation of officers (DGCL)	We generally recommend a vote FOR because according to our policy, implementation of the exculpation provision pursuant to Delaware Law will enable the Company to attract, retain and motivate its officers whose efforts are essential to the Company's success. Additionally, Delaware's exculpation law strikes a balanced approach, offering protection to directors while ensuring accountability for significant breaches of their fiduciary duties.

Proposals by management | M&A / Structure

Proposal	Vote Recommendation
Proceed with bankruptcy	We generally recommend FOR because according to our policy, approval of the bankruptcy plan is the best available alternative in order for the Company to provide a reasonable value for its shareholders.

Proposals by management | Meeting and Proxy Statement

Proposal	Vote Recommendation
Adjourn meeting	We generally recommend FOR because according to our policy, approval of the adjournment will enable the Company to solicit additional proxies if there are insufficient votes at the time of the meeting to approve a certain proposal.
Adopt notice and access provisions	We generally recommend FOR because according to our policy, approval of the notice and access provision would provide

Proposal	Vote Recommendation
	shareholders with sufficient disclosure and ample time to make informed decisions regarding the election of directors at shareholder meetings. This provision ensures that shareholders have the opportunity to review relevant information regarding the nominees, the Company's performance, and other important matters, therefore enabling the shareholders to participate meaningfully in the governance process.
Appoint independent proxy	We generally recommend a vote FOR because according to our policy, appointment of the independent proxy is necessary to convene the shareholders meeting.
Approve previous meeting minutes	We generally recommend FOR because according to our policy, approval of this proposal is in the best interests of the Company and its shareholders.
Change fiscal year end	We generally recommend FOR because according to our policy, the proposal would enable the Company to optimize its financial reporting, improve the timeliness of business operations and strategic planning, and better align its fiscal year-end with that of its peers. This alignment will enhance comparability, improve operational efficiency, and support more effective decision-making.
Change location/date/time	We generally recommend FOR because according to our policy, the proposed change will increase the likelihood of increased attendance rate in meetings, not to mention the benefits of flexibility and improved accessibility to shareholders.
Create notice period of general meeting	We generally recommend voting FOR this proposal because, in accordance with our policy, there may be situations where it is crucial for the Company to call meetings on short notice. This proposal would authorize the Company to convene general meetings (other than the annual general meeting) with a minimum of 14 clear days' notice, enabling timely action on matters that are urgent or time-sensitive for the Company.
Elect chairman of the meeting	We generally recommend FOR because electing a presiding person would allow the Company to facilitate the meeting in an organized manner.

Proposals by management | Mutual Fund

Proposal	Vote Recommendation
Approve company as investment trust	This proposal is considered on a case-by-case basis by the guidelines committee.
Approve sub-investment advisory agreement	We generally recommend FOR if the following conditions are met: the investment fees are reasonable and the investment strategy is cogent.
Convert to open-end fund	We generally recommend FOR because according to our policy, the conversion to an open-end fund would provide for portfolio diversification hence reducing the Company's risk exposure, and at the same time providing greater liquidity to its shareholders.
Issue/approve 12b-1 plan (distribution of funds through intermediaries)	We generally recommend FOR because according to our policy, approval of the 12b-1 plan would enable the Fund to facilitate its distribution and sale through various intermediaries, which would be beneficial in improving its asset position.

Proposals by management | Routine - Compensation

Proposal	Vote Recommendation
Appropriate profits/surplus	We generally recommend FOR because according to our policy, the proposed allocation of profits or earnings is commensurate with the Company’s current financial position.
Approve directors' compensation	We generally recommend FOR because according to our policy, the proposed director emoluments are commensurate with the directors’ efforts and contributions, and approval of the proposal would enable the Company to attract, retain and motivate its directors who are essential to the Company's success.
Reduce of legal reserve	We generally recommend FOR because according to our policy, the proposed reduction of legal reserves is commensurate with the Company’s current financial position and would strengthen its cashflow.

Proposals by management | Routine - Directors

Proposal	Vote Recommendation
Approve directors' report	We generally recommend FOR because approval of the directors' report is in the best interests of the Company and its shareholders.
Approve discharge of board and president	We generally recommend FOR because according to our policy, we find no breach of fiduciary duty that compromised the Company and shareholders' interests for the fiscal year that has ended.
Approve discharge of management board	We generally recommend FOR because according to our policy, we find no breach of fiduciary duty that compromised the Company and shareholders' interests for the fiscal year that has ended.
Approve discharge of supervisory board	We generally recommend FOR because according to our policy, we find no breach of fiduciary duty that compromised the Company and shareholders' interests for the fiscal year that has ended.
Approve financial statements and discharge directors	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year then ended in accordance with the law.
Approve previous board's actions	We generally recommend FOR because according to our policy, we find no breach of fiduciary duty that compromised the Company and shareholders' interests for the fiscal year that has ended.
Authorization to the board to execute legal formalities	We generally recommend FOR because approval of the proposal is necessary in order to carry out the legal formalities related to the meeting.
Delegate authority to a committee	We generally recommend FOR because the delegation of authority to the committee is in the best interests of the Company and its shareholders.
Elect company clerk/secretary	We generally recommend FOR because according to our policy, the nominee appears qualified.
Receive directors' report	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year that has ended.

Proposals by management | Routine - Other

Proposal	Vote Recommendation
Approve acts - ratify the decisions made in the prior fiscal year (e.g., distribution of initial dividend, discharge of liability)	We generally recommend FOR if the following conditions are met: the act is specified OR the act is related to the distribution of dividends, release from liability, or decisions made in the fiscal year that has ended.
Appoint censor	We generally recommend FOR because appointment of the censor would ensure the integrity of the voting process at the shareholders' meeting.
Appoint rating agency	We generally recommend FOR because the appointment of the proposed rating agency is in the best interests of the Company and its shareholders.
Corporate assembly	We generally recommend FOR because approval of the convening of the corporate assembly or shareholders' meeting is in the best interests of the Company and its shareholders.

Proposals by management | Shareholder Rights

Proposal	Vote Recommendation
Approve preemptive rights	We generally recommend FOR because according to our policy, pre-emptive rights allow shareholders to maintain their proportional ownership in the Company in the event of new share issuance, protecting their interests and ensuring they are not diluted by future equity offerings.
Eliminate preemptive rights	We generally recommend FOR because according to our policy, the elimination of pre-emptive rights would provide the Company with greater flexibility to finance business opportunities and conduct a rights issue without being restricted by the stringent requirements of statutory pre-emption provisions.
Redeem shareholder rights plan	We generally recommend FOR if the additional shares for the beneficiaries of the poison pill are more attractive than takeover by the hostile party.

Proposals by management | Voting

Proposal	Vote Recommendation
Adopt advanced notice requirement	We generally recommend FOR because according to our policy, advance notice requirement would protect the Company and its shareholders from ambush proxy solicitations thereby facilitating the nomination of individuals for election in an orderly process.

Proposals by management | Other

Proposal	Vote Recommendation
Approve continuance of company	We generally recommend FOR because according to our policy, approval of this proposal is in the best interests of the Company and its shareholders.
Establish power to execute legal formalities	We generally recommend FOR because approval of the proposal is necessary in order to carry out the legal formalities related to the meeting.

Proposals by shareholders | Capitalization

Proposal	Vote Recommendation
Convert shares	We generally recommend FOR when the conversion would provide equal rights to shareholders.

Proposals by shareholders | Climate/Resources

Proposal	Vote Recommendation
Approve annual advisory vote on climate change	We generally recommend a vote AGAINST because according to our policy, adopting this proposal is unnecessary and unwarranted in light of the Company’s existing approach to climate change and sustainability. The Company already implements effective strategies in these areas, making the proposal redundant. Furthermore, approval would result in significant administrative costs and financial burdens, diverting resources from other critical initiatives.

Proposals by shareholders | Compensation

Proposal	Vote Recommendation
Cap executive gross pay	We generally recommend AGAINST this proposal because according to our policy, implementing a cap on executive compensation gross pay, could negatively impact the hiring and retention of the Company's key executives and employees. Such a restriction would limit the Company’s ability to fully capitalize on the skills, expertise, and experience that individual leaders bring to the organization.
Include performance metrics in compensation	We generally recommend AGAINST because according to our policy, its adoption will not enhance the Company's compensation decision-making process. We believe that linking executives' compensation to various performance metrics could divert executives' focus away from achieving the Company’s long-term financial goals in favor of short-term objectives.

Proposals by shareholders | Health, Safety, and Operations

Proposal	Vote Recommendation
Report on artificial intelligence	We generally recommend a vote AGAINST because according to our policy, the proposed report on artificial intelligence would be duplicative of the Company's existing efforts in AI reporting. Also, approval of the proposal would pose significant administrative costs and financial burden to the Company.

Proposals by shareholders | Politics

Proposal	Vote Recommendation
Revoke public policy endorsement	We generally recommend AGAINST because according to our policy, political endorsement and spending is an integral part of a business, as Companies should have a voice on policies affecting them. As such, approval of this proposal will strictly limit the Company's flexibility in supporting the advocacies that are congruent with its business.

Proposals by shareholders | Voting

Proposal	Vote Recommendation
Restrict nomination of directors	We generally recommend a vote FOR because, according to our policy, a simple majority requirement in director elections, combined with a mandatory resignation policy and prohibition on the renomination of directors, ensures that the election results accurately reflect shareholder sentiment. Specifically, this approach addresses situations where a director receives less than a majority of votes, aligning the election outcome with shareholder expectations and maintaining effective governance.

Proposals by shareholders | Other

Proposal	Vote Recommendation
Adopt MacBride Principles, Sullivan Principles, or similar	We generally recommend AGAINST because adoption of this proposal would be duplicative and would make the Company unnecessarily accountable to different sets of overlapping fair employment guidelines that are already covered in its policies.

IV. Legal Disclaimer