



# Blended (formerly Standard) Policy: 2025 Updates

March 2025

## I. Overview of updates in 2025

Recommendations for the Blended (formerly Standard) Policy are designed to prioritize shareholder returns and implement market-standard governance practices.

This policy emphasizes standard governance practices while providing a more typical middle-of-the-road approach to both management and shareholder proposals. While this philosophy has not changed from 2024-2025, there have been changes in its implementation. This section summarizes those changes, and the next section outlines these changes in detail.

### **Director elections**

Recommendations for management proposals to elect a director are determined by a test, as they were in previous years. An additional consideration was added to the test this year that considers the company's TSR during the director's tenure.

### **Executive compensation**

Recommendations for say-on-pay proposals are determined by a test that considers the executive pay in comparison to the company's TSR as well as governance metrics. The exact governance metrics have changed from last year. Additionally, recommendations for several shareholder proposals including capping executive gross pay and amending a clawback provision have changed.

### **Governance**

Recommendations for shareholder proposals to rotate the auditor were changed from FOR to AGAINST.

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

Recommendations for several shareholder proposals including adopting a paid sick leave policy, addressing income inequality, and producing a report on human trafficking used to be determined by the governance score but are now AGAINST. Other shareholder proposals including producing a report on data privacy or a report on high-risk country operations are now determined by a test that evaluates if the disclosure is an audit and/or if it is redundant.

### **Procedural/Routine**

No changes have been made to recommendations for procedural and/or routine proposals.

### **Auditors**

Recommendations for proposals to ratify an auditor's appointment consider many of the same metrics as in previous years such as excessive non-audit fees and auditor sanctions. Additionally, recommendations now consider total audit fees as a percentage of market cap and consider excessive auditor tenure to be 20 years instead of 7 years.

## Shareholder rights

Recommendations for management proposals related to restricting the right to act by written consent have been changed from case-by-case to AGAINST.

## Mergers, acquisitions, and restructuring

Recommendations for management proposals related to adopting a greenmail provision have been changed from case-by-case to AGAINST and management proposals related to changing the jurisdiction/domicile of incorporation have been changed from case-by-case to FOR.

## Capitalization

Recommendations for management proposals to issue shares below NAV have been changed from FOR to a test and management proposals to allot securities have been changed from case-by-case to FOR.

## II. Recommendation Changes

The 2025 Blended (formerly Standard) Policy generally considers governance factors as key risks, but does not consider environmental and social factors to be key business risks. This is a slight change from the 2024 Standard Policy, where environmental, social, and governance factors were all considered key business risks.

Because of this change, recommendation logic for a handful of (mainly shareholder) proposal categories were changed. For example, in 2024, the Blended Policy would have run a test using our Governance Score to evaluate a proposal to provide a report on public health risks. In 2025, however, we generally will recommend AGAINST such proposals. A detailed outline of all proposal categories where there is a change from 2024 to 2025 is provided below.

### Proposals by management | Capitalization

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Issue shares below NAV</b>	FOR	We generally recommend FOR if the shares to be issued below NAV are 25% or less of the outstanding shares.
<b>Allot securities</b>	Case-by-case	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.

### Proposals by management | Compensation

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Approve executive/director/related party transactions</b>	Case-by-case	We generally recommend FOR because according to our policy, the related party transaction is advisable, substantively and procedurally fair, and in the best interests of the Company and its shareholders.

## 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 a 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 management.

## Proposals by management | Mutual Fund

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Approve fundamental investment objective	Case-by-case	We generally recommend FOR because according to our policy, a fundamental investment objective for funds will ensure that any revision or matter related to the fund's activities will be brought up for shareholder approval, thereby protecting their interests as shareowners. By involving shareholders in key decisions, the Company reinforces transparency, accountability, and the protection of shareholder value.

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Convert to open-end fund	Case-by-case	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.

## Proposals by shareholders | Auditor

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Rotate auditor	FOR	We generally recommend AGAINST because according to our policy, we believe that it is in the best interests of shareholders for the board to maintain flexibility to choose and rotate auditors.

## Proposals by shareholders | Board Report

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Report on board oversight	AGAINST	We generally recommend FOR this proposal when less than 40% of 13 specific board governance criteria are being met. These criteria include items such as: say-on-pay is on the agenda, the CEO and chairman positions are held by different people, and all classes of stock have equal voting rights.

## Proposals by shareholders | Climate/Resources

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Adopt climate action plan / emissions reduction / resource restriction	Case-by-case or based on governance score	We generally recommend AGAINST the proposal, because, according to our policy, its approval would not provide additional benefits or value to shareholders, given the Company's existing policy and strategy on climate change.
Adopt GMO policy	Case-by-case	We generally recommend AGAINST because according to our policy, approval of the proposal would impose unnecessary burdens on the Company's operations.
Approve annual advisory vote on climate change	Based on governance score	We generally recommend FOR unless one of the following is true: 1) the report is clearly and fully redundant with other reporting required of the Company or 2) the disclosure is an audit.
Report on climate plan / emissions / resource use	Based on governance score or AGAINST	We generally recommend FOR unless one of the following is true: 1) the report is clearly and fully redundant with other reporting required of the Company or 2) the disclosure is an audit.

<b>Report on GMO</b>	Based on governance score	We generally recommend AGAINST because according to our policy, preparing a report regarding GMOs would provide no incremental or meaningful information to the Company's shareholders. Moreover, given that the Company must currently comply with SEC reporting requirements and other government regulators of GMOs, we believe that approval of this proposal will accrue unnecessary costs and administrative burden to the Company.
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## Proposals by shareholders | Compensation

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Amend clawback provision</b>	AGAINST	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price, and considering the following governance requirements: 1) the company did not have an unjustified performance metric change without shareholder approval, 2) the company does not have a 'pay-for-failure' severance provisions and 3) the company has a no-trigger or single-trigger change-in-control provision.
<b>Cap executive gross pay</b>	Based on compensation score	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.
<b>Discontinue professional services allowance</b>	Based on governance score	We generally recommend FOR the proposal because according to our policy, this will better align the company's compensation structure with its strategic priorities and ensure more responsible use of its corporate funds.
<b>Exclude legal/compliance costs in adjustments</b>	AGAINST	This proposal is considered on a case-by-case basis by the guidelines committee.

<b>Include ESG metrics in compensation</b>	AGAINST	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price, and considering the following governance requirements: 1) the company did not have an unjustified performance metric change without shareholder approval, 2) the company does not have a 'pay-for-failure' severance provisions and 3) the company has a no-trigger or single-trigger change-in-control provision.
<b>Report on executive compensation</b>	AGAINST	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price, and considering the following governance requirements: 1) the company did not have an unjustified performance metric change without shareholder approval, 2) the company does not have a 'pay-for-failure' severance provisions and 3) the company has a no-trigger or single-trigger change-in-control provision.

## Proposals by shareholders | Directors

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Create non-key committee</b>	Based on governance score	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Require director experience / expertise / diversity or other limits on the board</b>	Based on governance score or FOR	We generally recommend AGAINST because according to our policy, it is in the best interests of the shareholders for the board and Nominating Committee to oversee and manage the current composition and qualifications of the board members.
<b>Require stock ownership for directors</b>	AGAINST	We generally recommend FOR if the following conditions are met: 1) The cash value of required ownership does not exceed the one-year salary of the lowest-paid director and 2) the director has at least 3 years from their start date to meet the requirement.

## Proposals by shareholders | Health, Safety & Operations

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Adopt paid sick leave policy</b>	Based on governance score	We generally recommend a vote AGAINST because according to our policy, approving this proposal would lead to unnecessary costs and expenses. Additionally, the proposed policy on paid sick leave is not universally applicable, as it would only impact the Company's non-unionized employees, whereas unionized employees are typically governed by collective bargaining agreements that address such matters.
<b>Modify business operations with high-risk country, entity, region, etc.</b>	Based on governance score	We generally recommend AGAINST if the country has a score of 4 from the U.S. Department of State travel advisories.
<b>Reduce sales/marketing of other products/services</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of the proposal is unnecessary as the Company is already required to comply with applicable federal laws and regulations and given the Company's nature of business, we believe that approval of the proposal would have a significant negative impact on its operations.
<b>Report on content management</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses. Additionally, it is in the best interest of shareholders for the board to maintain flexibility in managing the Company's disclosures and risks.
<b>Report on data privacy</b>	AGAINST	We generally recommend FOR unless one of the following is true: 1) the report is clearly and fully redundant with other reporting required of the Company; or 2) The proposal relates to abortion or reproductive rights.
<b>Report on high-risk country operations</b>	Based on governance score	We generally recommend FOR unless one of the following is true: 1) the report is clearly and fully redundant with other reporting required of the Company or 2) the disclosure is an audit.
<b>Report on intellectual property transfers</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses. Additionally, it is in the best

		interests of shareholders for the board to maintain flexibility in managing the Company's disclosures and risks.
<b>Report on product information / production</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses. Additionally, it is in the best interests of shareholders for the board to maintain flexibility in managing the Company's disclosures and risks.
<b>Report on public health risks</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses. Additionally, it is in the best interests of shareholders for the board to maintain flexibility in managing the Company's disclosures and risks.
<b>Report on suppliers / partners / customers / sales</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses. Additionally, it is in the best interests of shareholders for the board to maintain flexibility in managing the Company's disclosures and risks.

## Proposals by shareholders | Human resources and rights

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Address fair lending</b>	Based on governance score	We generally recommend AGAINST the proposal because, according to our policy, it would not meaningfully improve the Company's existing policies and risk oversight structure, nor enhance any current disclosures that provide shareholders with valuable information on how the Company addresses and oversees risks related to discrimination. Additionally, we are concerned that such an evaluation could, in today's highly litigious environment, inadvertently provide a roadmap for lawsuits against the Company, potentially leading

		to significant legal costs for shareholders in the long term.
<b>Address income inequality</b>	Based on governance score	We generally recommend AGAINST because according to our policy, the Company's existing compensation processes are guided by the fundamental principle that decisions are made on the basis of the individual's personal capabilities, qualifications, and contributions to the Company's needs and not on gender. Moreover, given the Company's compliance equal employment opportunity requirements, we believe that approval of this proposal will accrue unnecessary costs and administrative burden to the Company.
<b>Adopt anti-discrimination policy</b>	Based on governance score	We generally recommend AGAINST because according to our policy, this could put the Company in an uncompetitive position in terms of hiring prospective talents due to the rigid requirements of the proposal.
<b>Adopt diversity-based hiring</b>	Based on governance score	We generally recommend AGAINST because according to our policy, this could put the Company in an uncompetitive position in terms of hiring prospective talents due to the rigid requirements of the proposal.
<b>Report on collective bargaining/union relations</b>	Based on governance score	We generally recommend AGAINST this proposal because, in line with our policy and given the Company's compliance with applicable laws regarding freedom of association, we believe its approval would not provide additional benefits to employees or create further value for shareholders.
<b>Report on human trafficking</b>	Based on governance score	We generally recommend AGAINST because according to our policy and given the Company's current policies which effectively articulate their long-standing support for, and continued commitment to, human rights, the proposal would be duplicative and unnecessary.
<b>Report on prison/slave/child labor</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses. Additionally, it is in the best interests of shareholders for the board to maintain flexibility in managing the Company's disclosures and risks.

<b>Report on worker misclassification</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of the proposal would not create additional benefits to the employees or value for the shareholders.
<b>Report to discourage DEI practices (costs/risks)</b>	Based on governance score	We generally recommend AGAINST this proposal because, in accordance with our policy, conducting a cost/benefit report or a stand-alone DEI audit by the Company or a group acting on its behalf could potentially uncover violations of regulations or laws, which could pose both legal and reputational risks. Additionally, we are concerned that such report could, in our highly litigious society, serve as a roadmap for lawsuits against the Company, potentially leading to significant costs for shareholders in the long term.
<b>Rescind the racial equity audit</b>	FOR	We generally recommend a vote AGAINST because, according to our policy, the proposed rescinding of the racial audit undermines efforts to assess the impacts of the Company's diversity, equity, and inclusion (DEI) practices. Racial audits are essential in identifying and addressing disparities, and reversing this initiative would limit shareholders' ability to evaluate the materiality and effectiveness of the Company's DEI efforts.

## Proposals by shareholders | Legal and Compliance

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Report on arbitration claims</b>	Based on governance score	We generally recommend AGAINST this proposal because, in accordance with our policy, it presents a one-size-fits-all approach that could adversely impact the Company's ability to effectively use arbitration.
<b>Report on concealment clauses</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses. Additionally, it is in the best interests of shareholders for the board to maintain flexibility in managing the Company's disclosures and risks.

<b>Report on patent process</b>	Based on governance score	We generally recommend AGAINST because according to our policy the proposal would not meaningfully improve the Company's disclosure and reporting policies in place but is rather duplicative of its current efforts in addressing issues with product access and pricing.
<b>Report on whistleblowers</b>	Based on governance score	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses. Additionally, it is in the best interests of shareholders for the board to maintain flexibility in managing the Company's disclosures and risks.

## Proposals by shareholders | Other

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Disassociate from industry associations</b>	Based on governance score	We generally recommend AGAINST because according to our policy, companies benefit from industry associations, especially when it comes to influential policies that can directly affect businesses. As such, disassociation from such groups could potentially pose potential reputational and systemic risks that could be detrimental to the Company's business in the long run.

## Proposals by shareholders | Politics

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
<b>Report on government financial support</b>	Based on governance score	We generally recommend AGAINST because according to our policy and given the Company's policies and oversight mechanisms related to its political contributions and activities, we believe that the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders. Rather, the proposal promotes impractical and imprudent actions that would negatively affect the business and results.

<b>Report on lobbying expenditures</b>	Based on governance score	We generally recommend AGAINST because according to our policy and given the Company's policies and oversight mechanisms related to its lobbying expenditures and activities, we believe that the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders. Rather, the proposal promotes impractical and imprudent actions that would negatively affect the business and results.
<b>Report on public policy advocacy</b>	Based on governance score	We generally recommend AGAINST because according to our policy and given the Company's policies and oversight mechanisms related to its political contributions and activities, we believe that the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders. Rather, the proposal promotes impractical and imprudent actions that would negatively affect the business and results.
<b>Support public policy endorsement</b>	Based on governance score	We generally recommend AGAINST because according to our policy, although the Company must comply with federal, state, and local campaign finance and lobbying regulations that are currently in place, we believe that political endorsements, often in the form of contributions, increase the possibility of misalignment with corporate values which in turn could lead to reputational risks.

## Proposals by shareholders | Voting

Proposal	2024 Vote Recommendation	2025 Vote Recommendation
Adopt exclusive forum bylaws	AGAINST	We generally recommend FOR because according to our policy, having an exclusive forum will allow the Company to address disputes and litigations in an exclusive jurisdiction, with familiarity of the law, and reduce the administrative cost and burden related to settlement.

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