NEUBERGER

Governance and Proxy Voting Guidelines

ABOUT NEUBERGER

Neuberger is an employee-owned, private, independent investment manager founded in 1939 with 2,800 employees in 26 countries. The firm manages $508 billion of equities, fixed income, private equity, real estate and hedge fund portfolios for global institutions, advisors and individuals. Neuberger's investment philosophy is founded on active management, fundamental research and engaged ownership.

The firm's leadership in stewardship and sustainable investing is recognized by the PRI based on its consecutive above median reporting assessment results. Neuberger has been named by Pensions & Investments as the #1 or #2 Best Place to Work in Money Management for each of the last 10 years (firms with more than 1,000 employees). Visit www.nb.com for more information. Data as of December 31, 2024.

OBJECTIVE

Neuberger Berman Group LLC ("Neuberger Berman Group" and collectively with its affiliates "Neuberger" or the "firm") believes that engagement is a dialogue between investors and companies focused on positively influencing corporate governance behaviors to drive long-term, sustainable returns. We have codified our approach in our Stewardship and Engagement Policy. One important way in which we exercise engagement is through voting proxies on behalf of our advisory clients for whom we have voting authority. We do this in order to fulfill our fiduciary responsibility to protect our clients' best interests and as an important component of our approach to creating shareholder value.

The below statements serve as a guide to our voting approach and are representative of our general views on these matters. We reserve case-by-case judgment in all instances where we believe a different vote serves the economic best interests of our clients. Additionally, since corporate governance related law, standards, and best practices tend to differ between markets, we consider these local nuances when voting in a given market.

The below guidelines were written to apply to operating companies. As such, we recognize that they may not apply to some of our investments listed outside major stock exchanges. In addition, given investment companies, such as mutual funds, exchange-traded funds, closed-end funds and special purpose acquisition companies, present different issues and considerations for investors than operating companies, we acknowledge that it would not be appropriate to apply the full breadth of these guidelines to investments in these markets. In those instances, we will vote based on our assessment of best practices that protect shareholder value and as may be provided for in separate guidelines.

RISK OVERSIGHT & BOARD RESPONSIBILITIES

We expect boards in both the ordinary course of business and during special sessions to review and plan for relevant and material risk factors for the long-term sustainability of the business. We recognize that companies have diverse stakeholders that present many perspectives; we expect that given its oversight responsibility, the board remains open-minded in its evaluation of these issues. We identify continuing education, board evaluations, succession planning, shareholder and stakeholder engagement, and the adoption of best practices as indicators of oversight quality.

We expect, at minimum, to see disclosure on the existence of an Enterprise Risk Management framework, the composition, roles and responsibilities of key committees, and comprehensive descriptions of the background and skills of directors. We identify assumptions as key risks to the effective oversight of management by the board and believe these are best mitigated by active and diverse boards.

Neuberger has a longstanding belief that material corporate governance, environmental, and social, factors can be important drivers of long-term investment returns from both and opportunity and risk mitigation perspective. We believe the board should identify and appropriately address financially material risks to the company's business fundamentals and to its long-term sustainable growth including but not limited to corporate governance and financially-material sustainability issues. Neuberger may hold the chair of the governance committee accountable if the board does not maintain oversight of these types of financially material issues.

ELECTION OF DIRECTORS

Neuberger believes a Board of Directors should be comprised primarily of independent and qualified, directors with relevant experience. We believe having a board that is, at a minimum, majority, and preferably two-thirds, independent is a critical governance requirement. Neuberger believes these factors, along with periodic board refreshment and committee rotation, will facilitate driving a company's performance, creating shareholder value while protecting and enhancing shareholders' interests.

Generally, we support management nominees; however, there are instances when Neuberger may withhold its votes from or vote against the management nominee(s), for example, when the firm believes a board or certain of its members have:

- failed to act in the best economic interests of shareholders;
- failed to maintain independent audit, compensation and nominating committees;
- failed to attend at least 75% of a company's board and committee meetings without a reasonable excuse;
- failed to adopt a material shareholder proposal that received the support of a majority of shareholders;
- failed to appoint an independent chair or a lead independent director; or
- adopted bylaw amendments that negatively affect shareholder rights without obtaining a shareholder vote.

We expect companies to have robust anti-corruption practices and may vote against members of the appropriate board committee where we find poor oversight of matters related to compliance with sanctions or interactions with foreign governments.

Recognizing the importance of attracting and retaining qualified directors, we are supportive of strong indemnification provisions, so long as such coverage is not extended for breaches of the duty of care.

Board Composition and Quality

We believe it is vital that boards be comprised of directors that bring domain expertise in critical areas. We evaluate the composition of the board to ensure shareholders are represented by individuals who are well positioned to assess and understand both traditional and abstract business risks, have a history of operating in complex environments, subscribe to the highest level of ethical standards and hold others to it, and are able to present themselves as a credible voice of not only shareholders, but also stakeholders such as clients, employees and communities, among others. We believe these qualities to be vital to the challenging, deliberative discourse that we expect boards of our portfolio companies to possess.

As we scrutinize the director nominees, we ask that companies provide expanded context for the specific skills or areas of focus for individual directors. We expect companies to disclose a board skills matrix that identifies the skills, experience, and qualifications of key importance to the board and the relevant skills held by each director. We believe a skills matrix can be a helpful tool to evaluate a board's composition of skills and experience, identify skills gaps, and support succession planning and the director nomination process. While we do not support the notion of a one-issue director, we ask that companies identify who is well positioned to lead on top strategy and risk areas for the company.

While skills, experience, and qualifications should be the primary areas of focus in director recruitment, we encourage companies to disclose how diversity is considered in board refreshment processes, including that of skillset, experience, expertise, and demographic traits, such as gender, race/ethnicity, and age. While long tenure, age, or any demographic traits should not necessarily discount the contribution of any one director, we will evaluate these traits as they relate to the overall composition of the board and appropriate refreshment on a case-by-case basis in the context of a company's country of domicile, size, and strategy. Neuberger may hold the chair of the nominating committee accountable if the board fails to disclose board composition. We may hold companies to specific standards of board diversity where market or listing standards require.

Where the composition of the board does not satisfy our assessment of the needs at the company, we may hold the longest-tenured directors or the chair of the nominating and governance committee accountable to signal a need for appropriate director succession planning to be implemented. Further, we may oppose the reelection of a director if we deem the director non-independent due to long tenure as guided by best practices per relevant market corporate governance codes. We particularly scrutinize this in the context of the Chair or directors serving on key committees.

Instances of interlocking directorships (CEOs serving on each other's boards or directors serving together on multiple company boards) and problematic related party transactions may pose conflicts of interest and may lead us to vote against the director. Because of the significance of financial reporting and disclosure, Neuberger believes that a CFO should be accountable to the Board and not be a member. We usually will vote against a director who is the CFO of the subject company. We will closely scrutinize board representation awarded to third parties and investors with board influence that is not proportional to economic interest. These instances, along with contested elections and other special situations, will be evaluated by Neuberger on a case-by-case basis.

Committee Composition

We believe it is of great importance and will facilitate transparency if the members of the audit, compensation and nominating and governance committees are independent. We likely will withhold or vote against a director who sits on a key committee of the board and is an affiliate or an insider. Neuberger expects each member of the audit committee to have the applicable expertise to carry out his or her responsibilities in an effective and diligent manner. Should a company be required to restate its financials, Neuberger will closely evaluate audit committee members sitting at the time the issues arose. If a director has served on a board of at least one company with a record of poor performance, inadequate risk oversight, accounting-related issues or other indicators of actions that appeared to be against the interest of shareholders, we may vote against that director. We typically reexamine our determinations by considering: the length of time passed since the incident that caused the concern, shareholder support for the director, the director's role (e.g. member of the audit committee when accounting issues arose).

Board Leadership

We believe board independent leadership is imperative to represent the interests of all shareholders and provide oversight of management. We believe an independent chair is better able to oversee management and set an agenda aligned with the interests of shareholders without conflicts of interest that an executive or insider director might pose. In cases where the chair of the board is not independent, we believe it is best practice to appoint a lead independent director, which should be done at the next CEO transition. However, we do recognize that there are instances in which it may be appropriate to combine the CEO and Chairperson roles, such as instances where there is a strong lead independent director, strong performance of the company and other robust governance provisions. These instances will be evaluated by Neuberger on a case-by-case basis, taking into consideration the current leadership structure, roles and responsibilities of the lead independent director, and overall financial performance.

Director Time Commitments

Additionally, overboarding is a concern for Neuberger, and we generally believe a public company executive should only sit on an aggregate of two public company boards and a director who is not a public company executive should serve on no more than four public company boards. If we withhold votes for a director who is a public company executive, typically we will not withhold the vote from the director at the company on which he or she serves as an executive. Neuberger considers if a director serves on a SPAC board or an investment company when evaluating director board commitments given the different time commitment requirements these board typically require.

CAPITAL DEPLOYMENT FOR LONG-TERM VALUE CREATION

Our voting on capital issues is informed by our philosophy that companies should allocate capital to maximize long-term risk-adjusted shareholder value. We believe they should effect an economic returns-based capital allocation system; maintain efficient corporate capital structures that minimize the cost of capital; avoid excessive leverage or excessive cash buildup; regularly return excess capital to shareholders, and explore divestitures/spin-offs of non-core assets and business units where such divestiture will enhance shareholder value. Additionally, boards should provide transparent information on the oversight of capital deployment choices, including identifying the appropriate responsible committee, and be able to discuss their methodology.

We expect large mergers, acquisitions, reorganizations or similar actions to be subject to a shareholder vote. Neuberger often supports value-driven M&A strategies, but will evaluate all proposals on this matter on a case-by-case basis.

EXECUTIVE COMPENSATION

We expect each company to design compensation policies that are appropriate to its situation and that will attract and retain skilled executives who will be incentivized to increase their company's long-term shareholder value. We expect compensation committees to design, adopt and clearly articulate a strong link between executive compensation and performance.

Design

In our evaluation of compensation plans, we seek to understand how the metrics selected are related to the medium- to long-term business strategy articulated by executives. Performance incentives should be tied to challenging targets with disclosure around target-setting in relation to prior high-water marks. We expect boards to be able to discuss the potential long-term impacts of the chosen metrics, such as their impact on investments in R&D and human capital, or the ability to effectively deploy capital in the future. We additionally expect a robust discussion on the selection of the appropriate peer set, and how individual companies in that set are relevant to both the business and the compensation of the executives themselves.

Performance periods should be sufficiently long to ensure executives do not manage to too short of a time horizon, with at least a three-year performance period appropriate for most long-term incentive plan metrics. We do not believe long-term incentive plans (LTIPs) should have annual components, whether vesting or awards, and will additionally scrutinize plans that annually reload awards to create outcomes that become disengaged from the returns seen by shareholders.

We are particularly sensitive to outsized awards as a result of committee discretion, where absolute returns were negative, use of metrics susceptible to 'gaming', and/or where a payout previously occurred for the attainment of the same metric. We also closely scrutinize the quantum and timing of the disposition of shares by Named Executive Officers in the context of any repurchase activity at the company. Neuberger believes it is imperative for management and the board to maintain a significant equity ownership in the Company to ensure alignment with shareholders' interests. As we expect incentive compensation to relate directly to the creation of long-term value for shareholders, we generally expect extended vesting of equity awards, bonus and equity plans to provide for claw backs, equity compensation plans that do not permit repricing or reloading, and "golden parachute" proposals that encourage management to negotiate transactions in shareholders' best interest. We also believe that advisory votes on executive compensation should be held on an annual basis.

Due to the diverse requirements of companies in which we invest, Neuberger typically determines whether to support an executive compensation proposal after a case-by-case assessment, considering among other things, industry, size, performance, financial condition and historic pay practices. Where we identify insufficient alignment with the interests of our clients or insufficient disclosure to perform an analysis, we will vote against the compensation plan.

EQUITY-BASED COMPENSATION PLAN PROPOSALS

We generally support the adoption of equity-based compensation plans because they often facilitate the alignment of management's interests with shareholders. However, we do consider the cost of a plan and its qualitative metrics. The expense of any equity plan is considered in conjunction with a company's operating metrics to determine whether the cost is viewed as excessive. We also consider certain qualitative metrics of the plan, including: awards' performance metrics and targets, and whether the plan provides for repricing. We generally vote against plans that are excessively dilutive, costly, provide for repricing, or allow increases in shares available under the plan without shareholder approval.

OPTION EXCHANGES, REPRICING, BACKDATING

We typically are opposed to repricing plans, exchange programs and plans with evergreen provisions. We expect to vote against plans with repricing and exchange provisions; however, there may be circumstances in which a repricing provision or exchange provision is approved, such as a steep decline, not just in a company's value, but also the industry or macroeconomic environment. The repricing plan or exchange program may help the company retain employees in a precarious environment. We find backdating options and related actions unacceptable and will not support them.

DIRECTOR COMPENSATION PLANS

Neuberger believes nonemployee directors should receive appropriate compensation that may consist of cash and equity.

We recognize that compensating directors with equity awards facilitates the directors' alignment with shareholders, for which we are wholly supportive. The equity awards for directors should only reflect compensation, not be performance-based, so that directors are not incentivized to engage in risk-taking.

EMPLOYEE STOCK PURCHASE PLANS

Employee Stock Purchase Plans (ESPP) provide employees with ownership in the company, which strengthens the alignment with shareholders. We view these plans as being beneficial to companies and their shareholders when they typically are available to a broad employee group and the annual purchases are limited by statute. Neuberger expects to support most ESPPs unless the employee base to whom the plan is offered is unduly limited (e.g. senior executives).

SHAREHOLDER RIGHTS

Neuberger generally supports significant shareholder representation and the protection of minority rights. As such, it generally supports shareholder or management proposals regarding proxy access, although each instance is examined on a case-by-case basis, considering factors such as company size, existing or management-proposed proxy access provisions, board independence, diversity, experience, tenure, requested ownership percentage and holding requirement, among other things. We also generally support the right of shareholders to call a special meeting and—where the right does not exist—to act by written consent. We generally believe a special meeting threshold in the range of 20 – 25% is appropriate at most companies, where other circumstances, such as a large single- shareholder would not lead to a potential for misuse.

It is our view that in most matters presented for shareholder approval a majority vote is appropriate. Therefore, we typically support proposals to eliminate supermajority provisions. The firm usually is opposed to cumulative voting; however, there may be certain instances when we will support a cumulative voting proposal. For example, companies with tiered voting classes and those controlled by a significant shareholder may lend themselves to the adoption of cumulative voting. Neuberger generally supports stewardship and corporate governance codes, as well as other efforts to codify best practices. Where we find issues at odds with the practices of our portfolio companies, we will seek to use these frameworks to engage in constructive dialogue on the subject.

Voting Rights

Neuberger believes in the alignment of voting rights with economic interest (i.e., one vote, one share) at operating companies. We generally, support proposals to equalize the voting rights of shareholders, including the elimination of special voting share classes and the establishment of single-class voting structures. However, each instance is reviewed on a case-by-case basis and is rooted in an economic assessment of the costs and opportunities for shareholders.

Reincorporation of Domicile

We recognize that, on occasion, companies may choose to reincorporate their domicile. We analyze such proposals closely and are generally supportive where we believe they are in the economic interest of our clients, including instances where the change in domicile may result in reduced legal costs, a more efficient judicial framework, proximity to corporate headquarters, or improved governance provisions. We evaluate these proposals on a case-by-case basis, considering both the company's stated financial or strategic rationale and the resulting impact on shareholder rights. Proposals are assessed based on their overall effect on shareholders, including whether any reduction in protections is justified by corresponding benefits.

Exclusive Forum Provisions

We believe the designation of the state of Delaware as a company's exclusive forum for certain governance- related litigation is appropriate provided it is done in the spirit of permitting a more efficient resolution of such matters for both the plaintiff and the company and does not contain onerous provisions like mandatory arbitration. The selection of other forums including the district courts of the United States for federal securities law matters will be reviewed on a case-by-case basis.

Venue and Format of Shareholder Meetings

On the subject of the venue and format of shareholder meetings, we believe it should strike a balance between providing access and transparency while taking advantage of new technology and cost efficiencies. As such we typically will not vote against directors for the approval of a virtual meeting format but continue to recognize that such a shift should facilitate, not abridge, shareholder access.

ANTI-TAKEOVER PROVISIONS & SHAREHOLDER RIGHTS PLANS ("POISON PILLS")

Neuberger generally does not support the adoption of anti-takeover provisions, including shareholder rights plans. In cases of unilateral adoption by the board, we evaluate these proposals on a case-by-case basis in order to determine whether we believe the action was in the best financial interest of shareholders and appropriately proportional to the circumstances. If we deem the action to be adverse to shareholder financial interests, we will generally vote against members of the governance committee and the chairman/lead independent director. Where the plan itself is subject to a vote, we will additionally evaluate whether there are tax-related benefits (net-operating- loss pills), the protection of which may be in the financial interest of our clients.

OUR APPROACH TO EVALUATING SHAREHOLDER PROPOSALS

When analyzing shareholder proposals, our portfolio managers first consider if the topic of the proposal is financially material to the company in question. In analyzing financial materiality, we rely on the research and experience of our in-house equity research analysts and portfolio managers who bring industry and company specific expertise and leverage our proprietary Neuberger materiality matrix, along with widely accepted frameworks such as the SASB materiality matrix. If we determine that a proposal topic is financially material, we then evaluate the details of the specific proposal including the language of the resolved clause and support statement, the company's existing practices and, as relevant, the quality of company's current disclosure on the topic, and assess if we think the relevant risks to and opportunities for the company are being sufficiently managed.

We will generally support shareholder proposals asking for increased disclosure where our assessment finds that existing disclosure practices are lagging peers and recognized disclosure frameworks that we believe are necessary for investors to assess these risks. In cases where we may not agree with all aspects of a given proposal, we may seek to leverage engagement and other communication tools such as our NB Votes Initiative to signal to companies our rationale and expectations.

For clarity and completeness, we believe companies should disclose the identity of the proponent or lead filer of shareholder proposals in the proxy statement. Transparency of ballot issues, such as the identity of proponents, allows for greater understanding of the context and intent of specific requests, and engagement if deemed appropriate.

GOVERNANCE ISSUES

Neuberger generally supports governance shareholder proposals to:

- declassify a board;
- eliminate cumulative voting;
- eliminate share structures with unequal voting rights;
- elect directors by a majority of votes cast in uncontested elections;
- separate the positions of Chairperson and CEO; appoint a lead independent director. We recognize that there are instances in which it may be appropriate to combine the CEO and Chairperson roles, including a current strong lead independent director, strong performance and governance provisions.

ENVIRONMENTAL ISSUES

Neuberger believes that all companies must be able to identify key financially material environmental risks to their business[1]. We will generally support shareholder proposals asking for increased disclosure where our assessment finds that existing materials are significantly lagging the disclosure of peers and recognized disclosure frameworks necessary for investors to assess these risks. We recognize that reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) and the International Sustainability standards Board (ISSB), which includes the Sustainability Accounting Standards Board (SASB), is mandatory in many jurisdictions and encourage companies where it is not mandatory to look to those frameworks to assist them in disclosing their approach to managing financially material risks.

Companies can look to those frameworks as a reference of leading best practices.

Climate:

Specific to financially-material climate-related risk, Neuberger expects companies to:

- Establish board oversight of climate risk
- Disclose key climate-related metrics such as Scope 1 and 2 Greenhouse gas (GHG) emissions and material Scope 3 GHG emissions
- Establish GHG emissions reduction targets certified by a credible third party
- Produce reporting in alignment with the recommendations of the TCFD and consider voluntary implementation of ISSB IFRS S1 and S2 as a next step

We expect directors to be familiar with these recommendations and be able to discuss how they relate to the risk assessment for their business. Neuberger may hold the chair of the board or lead independent director accountable if we determine a company is not adequately managing financially-material climate-related risks.

While our primary analysis focuses on items listed above, we recognize that due to changes such as rising supply chain complexity, shifting consumer trends and regulatory changes, among many others, companies should continue to be aware of salient issues that may become more financially material over time.

Biodiversity:

We expect companies to proactively identify, evaluate, and mitigate financially material biodiversity risks within their operations and across supply chains and to provide transparency to shareholders regarding these efforts. We will generally support proposals calling for disclosure that we believe would improve our ability to assess financially-material biodiversity-related risks and opportunities.

SOCIAL ISSUES

We believe that companies have a variety of stakeholders and encourage engagement with those parties that may positively or negatively impact financial performance, including the sustainability of the business. While we believe that regulators and legislators are best positioned to address market-level social concerns, we recognize the value of leadership in those areas that improve the company's reputation and its ability to be seen as a responsible participant in the broad economy and the communities it operates in. Where we identify issues that we believe can significantly harm the value of our clients' investments, we will pursue a course of action, including engagement, or the support of a shareholder proposal, among others, that most constructively mitigates these risks.

Political Spending and Lobbying Activities

In certain cases, given the potential reputational impact of the use of company funds in relation to trade associations and political processes, Neuberger will generally support shareholder proposals asking for disclosure and/or reports on this issue if we determine that increased disclosure would allow shareholders to more fully evaluate risks and benefits associated with the company's comprehensive political activities, in addition to its management of such risks and benefits. In our evaluation of the proposals, we find the Center for Public Accountability Zicklin Index (CPA-Zicklin) to be an informative guidepost for assessing appropriate disclosure in relation to both the market and industry peers.[2]

Human Capital Management

Neuberger believes topics related to human capital can be among the most significant risks and opportunities for companies. We expect boards to disclose and be able to discuss efforts to make the companies inclusive, attractive and high-retention environments. We identify this as a vital component in attracting and retaining talent for the long-term sustainable success of the companies we invest in. Neuberger expects US-based companies to disclose their EEO-1 data annually and expects data for multiple years to be publicly available. We will typically support related resolutions at companies whose workforce disclosure falls short relative to peers. We will generally support shareholder proposals seeking to establish comprehensive equal opportunity and anti-discrimination provisions. Neuberger also generally supports efforts to study and report on any discrepancies in compensation based on gender or other relevant parameters.

[1] Where appropriate and determined by local regulation, companies should also be able to identify key financially material sustainability risks to their business. Sustainability risks are defined by Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as environmental, social and governance events or conditions whose occurrence could have an actual or potential material negative impact on the value of an investment (and hence on the net asset value of a Portfolio and on its returns).

[2] Neuberger does not maintain a formal relationship with the Center for Public Accountability. Lawrence Zicklin is a former employee of Neuberger and served as the Non-Executive Chairman of the Board from 1999 to 2003. He rejoined the Board in 2009 to serve as an independent director until retiring in 2021.