

## **PROXY VOTING, CORPORATE ACTIONS, & CLASS ACTIONS AND LEGAL PROCEEDINGS**

### **Policy**

River Road exercises discretionary voting authority over proxies issued on securities held in client accounts unless the client has explicitly reserved voting authority. Proxy voting authority is typically established and defined in the investment management agreement or other writing between River Road and the client. Our policy and practice includes the responsibility to receive and vote client proxies, mitigate any potential conflicts of interest, make information available to clients about the voting of proxies for their portfolio securities, and maintain required records. River Road, as a matter of policy and as a fiduciary to our clients, votes proxies for client securities consistent with the best economic interests of the clients. River Road engages a third-party voting agent, Glass Lewis & Co. ("Glass Lewis"), to help discharge its duties.

### **Background**

Registered investment advisers that exercise voting authority with respect to client securities are required by Rule 206(4)-6 of the Advisers Act to do the following:

- Adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interests of clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients;
- Disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities; and
- Describe to clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its clients.

SEC guidance further states that to form a reasonable belief that its voting determinations are in the best interest of the client, advisers should conduct an investigation reasonably designed to ensure the voting determination is not based on materially inaccurate or incomplete information.

Advisers also must maintain certain records relating to proxy voting activities. See Books and Records.

### **Responsibility**

The Proxy Voting Policy Committee and the Compliance Department are responsible for implementing and monitoring this policy.

### **Procedure**

River Road has adopted the following procedures to implement and monitor the firm's policy:

Voting Across Accounts: Unless otherwise directed by a client as more fully described below, River Road votes proxies the same way for each client within a strategy/IBG. If a holding overlaps more than one strategy/IBG, the Portfolio Manager for one strategy/IBG may choose to vote differently than the Portfolio Manager for another strategy/IBG. By allowing different vote directions, River Road is able to ensure flexibility to account for differing strategy and objectives. Given that River Road strategies are unified around River Road's general investment philosophy, instances of differing vote decisions have historically been and is anticipated to be limited.

Proxy Committee and Operational Process:

The Proxy Voting Policy Committee is responsible for establishing voting guidelines and reviewing special issues. The Committee consists at a minimum of a Co-Chief Investment Officer, the Director of Research, the Chief Compliance Officer, and a Compliance Department designee. The Committee meets annually to review Glass Lewis' proxy voting guidelines and determines and documents where River Road disagrees with the agent's guidelines, if at all, and determine necessary action, if any. The Committee is responsible for adopting the final voting guidelines. Meetings may be called by any Committee member throughout the year based on issues that arise.

The Compliance Department is responsible for operational and procedural aspects of the proxy voting process. As necessary, the Compliance Department reviews operational or procedural issues related to the proxy process and reports material issues to the Proxy Voting Policy Committee, or such other Committee as may be appropriate.

Voting Agent: Glass Lewis performs the following services:

- provides analysis of proxy proposals,
- tracks and receives proxies for which River Road clients are entitled to vote,
- votes the proxies as directed by River Road, and
- compiles and provides client voting records.

Voting Process:

The Compliance Department coordinates the proxy voting process. The steps for reviewing and submitting votes are as follows:

- The Compliance Department reviews the Glass Lewis web-based system on at least a weekly basis for upcoming meetings.
- The Compliance Department reconciles the number of ballots reflected by Glass Lewis to River Road's records and reports any discrepancies to Glass Lewis and/or the client's custodian for follow up. River Road makes its best efforts to ensure all shares are voted. However, issues with receiving ballots from custodians may prevent voting for a particular account. River Road typically continues to follow up with Glass Lewis and/or the custodian where necessary in an attempt to resolve all issues prior to the voting deadline.
- If the Glass Lewis/River Road policy recommendation and the management recommendation for all votes on a ballot are the same, the Compliance Department will vote accordingly. However, there are limited instances where River Road has (and may in the future) vote differently from the policy and management recommendation.
- If the Glass Lewis/River Road policy recommendation and management recommendation are different for a particular vote, the Compliance Department distributes Glass Lewis' proxy paper for the upcoming meeting to the appropriate member of the investment team. The investment team member (in consultation with the Portfolio Manager) is responsible for reviewing the proxy paper and making the appropriate vote decision based on this policy. Where the investment team member decides to vote differently from the Glass Lewis/River Road policy recommendation, they must document the rationale. The Compliance Department must review and approve the stated rationale before submitting the vote decision in order to look for potential conflicts or violation of this policy.

Client Direction: Clients are permitted to place reasonable restrictions on River Road's voting authority by providing their own voting guidelines or directing a vote in a particular solicitation with reasonably advance notice given to the CCO or designee. If clients provide River Road with their voting guidelines or direction and River Road accepts them, River Road will instruct the voting agent to vote proxies pursuant to the client guidelines or direction.

Conflicts of Interest: River Road has eliminated most conflicts of interest by using an independent third party (Glass Lewis) that votes pursuant to the guidelines adopted by the Proxy Voting Policy Committee

or in accordance with River Road's direction after following the above process. In cases where River Road believes there may be an actual or perceived conflict of interest, River Road requires additional steps that may include the following:

- documenting the potential conflict of interest,
- obtaining the prior approval of a Co-Chief Investment Officer and the CCO,
- obtaining Proxy Voting Policy Committee review or approval,
- deferring to the voting recommendation of a third party,
- voting pursuant to client direction (following disclosure of the conflict),
- abstaining from voting,
- voting reflectively (in the same proportion and manner as other shareholders), or
- taking such other action as necessary to protect the interests of clients.

River Road will maintain a record of the resolution of any conflict of interest.

Securities Lending: Where clients have implemented securities lending programs, River Road will be unable to vote proxies for securities on loan.

Disclosure and Client Requests for Information: River Road discloses a summary of this policy and information on how clients may obtain a copy of this policy and records of how River Road voted securities for their accounts in its Form ADV Part 2A. Employees that receive a client request for information regarding proxy votes or proxy policies must forward such request to the Compliance Department where necessary. The Compliance Department is responsible for gathering the relevant information.

Clients That Reserve Proxy Voting Authority: For clients that have reserved voting authority, clients should receive their proxies or other solicitations directly from their custodian or a transfer agent. They will not receive them from River Road. Clients may contact the CCO with questions about a particular solicitation.

Corporate Actions: Portfolio companies held in River Road client accounts from time to time have material changes to the company that affects its shareholders (Corporate Actions). In these instances, the shareholder can voluntarily, or sometimes must, participate in the action. The Portfolio Accounting Department regularly reviews one or more databases to look for upcoming corporate actions. The Investment Team is also responsible for notifying the Portfolio Accounting Department of any upcoming corporate actions to which they become aware. For voluntary corporate actions, the Portfolio Accounting Department works with the Investment Team to decide whether to participate and how the corporate action will be processed. The Portfolio Accounting Department is responsible for communicating corporate action decisions to client custodians.

Class Actions and Legal Proceedings: Portfolio companies currently or formerly held in River Road client accounts may become subject to class actions, bankruptcy, or other legal proceedings. River Road does not monitor for, act on behalf of clients in, or assist clients in any such proceedings. To the extent requested in the client's investment management agreement, River Road will use best efforts to forward to the client notices River Road receives related to proceedings for their specific account. Employees that receive any such notices via mail, email, or fax for a client account must promptly forward the notice to the Compliance Department.

**Version Reference**

<u>Version Date</u>	<u>Description of Changes</u>
01/01/2012	Content and Format Changes
11/30/2014	Update to Client Direction section; Additional sections for client's that retain voting authority and class actions/legal proceedings

12/31/2015	Updated to remove Proxy Voting Procedures Committee and Testing sections; Replaced Proxy Designee with the Compliance Department.
01/31/2018	Clarified that proxies may be voted differently across strategies/IBGs; added Corporate Actions section.
08/01/2020	Added paragraph to Background related to recent SEC guidance on proxy responsibility. Moved and added more detail regarding voting different across strategy/IBG. Immaterial edits.