Loring, Wolcott & Coolidge Trust, LLC
2022 Proxy Voting Guidelines: Executive Summary

An Overview of Proxy Voting

As part of our service to our clients, we generally retain proxy voting responsibilities, exercising our right as shareholders to weigh in on the range of issues presented at a company's annual or special meeting. Most of these issues are presented by management, such as the election of the board of directors and the hiring of auditors, and some are presented directly by shareholders. While shareholder proposals cover many topics, we typically support requests for greater transparency and disclosure on material environmental, social, and governance (ESG) risks and opportunities.

Our Proxy Voting Guidelines are reviewed and updated annually, and state the broader expectations we have of companies on ESG disclosure and management and governance best practices. These are only intended to provide general guidance on voting: we closely examine each resolution carefully and against our Guidelines and, where appropriate, vote on a case-by-case basis.

Below you will find brief descriptions of some of the more common and salient topics, and our concomitant voting approach. This synopsis is intended as an overview of major issues only; the full Guidelines provide a more comprehensive description of our proxy voting strategy and overall corporate governance philosophy.

Our Position and Voting Strategy on Key Topics (as of January 2022)

General Sustainability

We believe that sustainability must be integrated into governance and accountability structures, beginning with board oversight of ESG risks and opportunities. We also generally support linking executive compensation to sustainability, and resolutions regarding specific ESG issues affecting a company's own operations as well as its supply chain, such as oversight of human rights issues.

Diversity

We believe that diverse boards—including diversity of gender, race/ethnicity, culture, age, and geography, among other attributes—are more effective and better able to lead companies in a complex, global marketplace. We also believe that greater board diversity supports executive and company-wide diversity. In general, we will:

- Oppose nominating committee members failing to put forth a slate of directors composed of at least 30% women; and
- For U.S. companies, oppose nominating committee members failing to put forth a slate composed of at least 30% people of color, with particular attention paid to communities typically underrepresented in corporate America.

Executive Compensation

The widening chasm in pay between typical workers and the highest-paid executives has been driven by several factors, including increasingly complex stock-based compensation for executives. This gap is unsustainable for companies as well as the economy and society: it is costly to a company's reputation and undermines a motivated and engaged workforce, while the associated rise in economic inequality invites regulation and slows economic growth. To address this, we believe that directors who sit on the compensation committee (and are therefore responsible for the design and approval of executive compensation packages) should pay closer attention to the mix of pay package components, and in most cases make efforts to simplify plans. We generally favor longer time horizons and restricted stock awards, as these most clearly align with long-term performance.

Shareholders have the ability to vote on a company's executive compensation package in an advisory manner—a ballot item typically referred to as "Say-on-Pay". Our Guidelines include detailed criteria which we use to evaluate all companies that have this ballot item, and we apply particular scrutiny to our top holdings.

When voting on compensation-related proposals, we consider the following, among other factors:

- How the total compensation of Named Executive Officers (NEOs) as well as that of the highest paid NEO (usually the CEO) compares to the median of the S&P 100;
- The recommendation of our proxy advisor;
- Unusual features, such as discretionary awards or insufficiently rigorous designs; and
- The frequency of the Say-on-Pay vote (we believe it must be annual).

In egregious situations, we vote against directors on the compensation committee as well as opposing the Say-on-Pay proposal. Our full Guidelines provide further detail on this determination.

Climate Change

Climate-related events already affect more than one in four organizations and have a direct impact on 70% of all economic sectors worldwide.[1] A warming planet and extreme weather events lead to supply chain disruptions, labor challenges, health issues, physical damages, and rising insurance costs, among other impacts. Yet each type of climate risk—including regulatory, reputational, technological, and market-related transition risks—also presents new opportunities to adapt business models, launch sustainable products, and cut emissions from operations. As a result, leaders are increasingly acknowledging the business imperative to manage risk, mitigate their impacts, and adapt their business in order to successfully manage the transition to a low carbon economy. Towards that end, we generally support resolutions asking companies to:

- Undertake impact assessments of climate change scenarios on the company;
- Adopt goals to achieve net-zero GHG emissions through science-based reduction targets, improved carbon accounting, and increased uptake of renewables;
- Integrate a commitment to a low carbon economy in strategy and governance structures; and
- For financial services, limit financing of carbon-intensive projects.

In addition, we are acutely aware of the linkages between climate change and plastic waste, industrial agriculture, animal welfare, deforestation, and environmental justice, among other pressing issues. Our Guidelines include stand-alone sections on each of these important topics.

Good Governance

We take action when companies fail to adhere to good governance practices, including:

- Director over-commitment: due to the time required to be an effective board member, if a director sits on more than four public company boards (or a public company CEO sits on more than two public company boards), they are considered to be "over-boarded," and we will vote against their nomination;
- CEOs on compensation committees: we vote against directors on compensation committees if they are also the CEO of a public company because we believe CEOs should not set the pay of their peers; and
- Independent directors: we believe that a board should be composed of at least two-thirds independent directors and will vote against a board that is less than 50% independent.

Decent Work & Inequality

We support decent work and fair compensation for all workers, recognizing that the decisions a company makes about its workforce impact income inequality and can have far-reaching, negative consequences for companies' long-term growth and for society as a whole. This "system-level" understanding of the importance of decent work guides our voting on topics including pay equity, workforce-related governance, wage inequality, diversity and discrimination, as well as working conditions.

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[1] Deloitte Global, *2021 Climate Check Report.* Available at https://www2.deloitte.com/global/en/pages/risk/articles/2021-climate-check-business-views-on-environmental-sustainability.html