Loring, Wolcott & Coolidge Trust, LLC
2024 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 electing the board of directors, ratifying the independent auditor, and approval of executive compensation, while others may be presented directly by shareholders.

Our Proxy Voting Guidelines, which are updated annually and available on our website, describe our general expectations around the issues frequently up for vote, and how we typically evaluate them. This executive summary offers illustrative examples of our approach to some of the most common topics, but is not intended to be comprehensive. The Guidelines themselves 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.

Our Voting Approach to Key Topics

Good Governance

The keystone of effective corporate governance is an independent and engaged board of directors, elected by shareholders and responsive to their input. We expect well-governed boards to have the following characteristics:

- **Independent directors:** We believe that boards should comprise at least two-thirds independent directors and we will vote against affiliated directors on a board that is less than two-thirds independent;
- **Independent oversight:** We believe that, in most cases, boards should be chaired by an independent director, or at minimum, that specific leadership responsibilities are held by a non-affiliated individual;
- **Responsiveness to shareholders:** The CEO and, in some cases, other Named Executive Officers (NEOs) report to the board, and the board, in turn, is accountable to shareholders, so we expect individual directors and committees to seek feedback from and respond to shareholders;
- **Unquestionably independent key committees:** As an example, we generally oppose directors serving on compensation committees if they are also the CEO of another public company because we do not believe CEOs should be in a position to set their own pay or that of their peers.

General Sustainability

We believe that sustainability must be integrated into governance and accountability structures, beginning with board oversight of material environmental, social, and governance (ESG) risks and opportunities, and extending to individual director responsibility for corporate action (or lack thereof). In general, we also support linking a meaningful portion of executive compensation to material sustainability goals. We typically support shareholder proposals that enhance transparency, expand disclosure on material ESG risks and opportunities, and request specific actions to address ESG issues affecting a company's operations, technology, and supply chain.

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 at least 33% female directors;
- Oppose nominating committee members at all holdings of U.S. domiciled companies that:
  - Fail to put forth a slate of directors composed of at least 33% people of color, with particular attention paid to communities typically underrepresented in corporate America;
  - Do not disclose the self-reported gender and race/ethnicity of individual directors.

Executive Compensation

The widening chasm between typical workers and the highest-paid executives has been driven by several factors, including the growth in stock-based pay and overly complex executive incentive awards. This decoupling is costly to a company's reputation and undermines a motivated workforce, while the associated rise in economic inequality invites regulation and slows economic growth. To address this, we believe that directors who sit on compensation committees (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 simplify plans. We generally favor longer time horizons for restricted stock awards, which most clearly aligns 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" (SOP). 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:

- Total compensation of NEOs and the highest paid NEO (usually the CEO) vs. 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 incumbent directors on the compensation committee and also oppose SOP.

Climate Change

A recent study estimated that inaction on climate change would reduce GDP by as much as $178 trillion over the next 50 years, whereas achieving net zero emissions in the same time period could increase GDP by $43 trillion.[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 also presents new opportunities to adapt business models, launch sustainable products, and reduce emissions from operations. As a result, leaders are increasingly acknowledging the business imperative to manage risks, mitigate impacts, and adapt businesses in order to successfully manage the transition to a low carbon economy.

Towards that end, we generally support resolutions asking companies to:

- Adopt absolute science-based greenhouse gas reduction targets, improve carbon accounting, and increase uptake of renewables in alignment with net zero by 2050;
- Undertake impact assessments of climate change scenarios on the company and publish conclusions;
- Report on efforts to align capital expenditure strategy and policy influence activities with credible 1.5°C pathways, and efforts to support a "just transition";
- Integrate oversight of climate risk management into board responsibilities; and
- For financial services organizations, take steps to align financing or underwriting of carbon-intensive projects and fossil fuel development consistent with credible 1.5°C pathways.

In addition, we are acutely aware of the linkages between climate change and biodiversity, plastic waste, industrial agriculture, animal welfare, deforestation, and environmental justice, among other pressing issues. We consider the interconnected nature of natural and social systems and their current crises when evaluating corporate action (or inaction) and voting on management proposals, shareholder proposals, and director nominees.

Decent Work & Inequality

We support decent work and fair compensation for all workers, recognizing that a company's decisions concerning its workforce can impact its long-term growth, the wider economy, and society as a whole. This system-level understanding guides our voting and leads us to support proposals that ask companies to:

- Report unadjusted and statistically adjusted median pay gaps across race and gender;
- Offer living wages and comprehensive benefits to all employees;
- Promote safe and respectful workplaces, and the right to organize to improve conditions;
- Improve human capital management reporting and ensure adequate governance of related issues.

[1] Pradeep Philip, Cedric Hodges, and Claire Ibrahim, "The Turning Point: A Global Summary" Deloitte (May 2022), *available at* https://www2.deloitte.com/content/dam/Deloitte/global/Documents/gx-global-turning-point-report.pdf.