

Proxy Voting Policy

Category: Portfolio Management

Policy Statement

It is the policy of Mellon Investments Corporation (“MIC”) to fully meet its fiduciary obligations in exercising the power, discretion and responsibility to vote proxies where clients have delegated such authority.

Background

Registered Investment Advisers have a number of responsibilities regarding voting of proxies for client securities that are under its management and that are governed by the Advisers Act. Rule 206(4)-6 requires investments advisers to (a) adopt and implement written policies and procedures that are reasonably designed to ensure that the adviser votes client securities in the best interests of clients, which procedures must include how material conflicts that may arise between an adviser's interests and those of its clients are addressed; (b) disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities; and (c) describe to clients its proxy voting policies and procedures and, upon request, furnish a copy to its clients. Rule 204-2 further requires an investment adviser to retain certain records relating to the exercise of its proxy voting authority.

Policy

As a registered Investment Advisor, MIC is often entrusted with the fiduciary responsibility to vote proxies for shares of corporate stock held on behalf of our clients. Proxy voting is an integral part of the management of the investment in those shares. In voting proxies, MIC takes into account long term economic value as we evaluate issues relating to corporate governance, including structures and practices, the nature of long-term business plans, including sustainability policies and practices to address environmental and social factors that are likely to have an impact on shareholder value, and other financial and non-financial measures of corporate performance.

MIC has established a Proxy Voting and Governance Committee to implement and maintain MIC’s Proxy Voting Policy and related proxy voting guidelines (the “Voting Guidelines”). This Committee oversees MIC’s proxy voting activities and ensures that the Voting Guidelines are generally applied consistently and impartially for securities held in accounts for which MIC has proxy voting authority. MIC will make every reasonable effort to ensure that proxies are received and voted in accordance with this policy and the Voting Guidelines. To assist us in that process, MIC retains Institutional Shareholder Services (“ISS”) to provide various services related to proxy voting, such as research, analysis, voting services, proxy vote tracking, recordkeeping, and reporting. In addition, MIC retains Glass Lewis for research services only.

MIC has appointed the BNY Mellon Proxy Voting Conflicts Committee to address certain conflicts associated with actual or potential material conflicts of interest involving The Bank of New York Mellon (“Parent Company”). These conflicts typically arise due to a relationship between a proxy issuer and the Parent Company, the Parent Company’s Chief Executive Officer, or a member of the Parent Company’s Board of Directors.

MIC will furnish a copy of its Proxy Voting Policy and its Voting Guidelines upon request to each advisory client that has delegated voting authority.

Voting BNY Mellon Stock

It is the policy of MIC not to vote or make recommendations on how to vote shares of BNY Mellon stock, even where MIC has the legal power to do so under the relevant governing instrument. In order to avoid any appearance of conflict relating to voting BNY Mellon stock, MIC has contracted with an independent fiduciary (ISS) to direct all voting of BNY Mellon Stock held by any MIC accounts on any matter in which shareholders of BNY Mellon Stock are required or permitted to vote.

Voting Non-US Company Proxies

MIC seeks to effect vote decisions through the application of the Voting Guidelines. However, corporate governance practices, disclosure requirements and voting operations vary significantly among the various non-U.S. markets in which clients may invest. In these markets, MIC may face regulatory, compliance, legal or logistical limits with respect to voting securities held in client accounts which can affect the firm's ability to vote such proxies, as well as the desirability of voting such proxies. Non-U.S. regulatory restrictions or company-specific ownership limits, as well as legal matters related to consolidated groups, may restrict the total percentage of an issuer's voting securities that MIC can hold for clients and the nature of our voting in such securities. MIC's ability to vote proxies may also be affected by, among other things: (1) late receipt of meeting notices; (2) requirements to vote proxies in person; (3) restrictions on a foreigner's ability to exercise votes; (4) potential difficulties in translating the proxy; (5) requirements to provide local agents with unrestricted powers of attorney to facilitate voting instructions; and (6) requirements that investors who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting. Absent an issue that is likely to impact clients' economic interest in a company, MIC generally will not subject clients to the costs (which may include a loss of liquidity) that could be imposed by these requirements. In these markets, MIC will weigh the associative costs against the benefit of voting and may refrain from voting certain non-U.S. securities in instances where the items presented are not likely to have a material impact on shareholder value (where the expense and administrative inconvenience or other burdens outweigh the benefits to clients of voting the securities).

Securities Lending

Generally, MIC expects that the projected long-term economic benefit to clients in voting proxies would be exceeded by securities lending income on shares on loan. In our assessment, the resolutions being voted on are typically routine and will not have significant economic consequences and/or because the outcome would not be affected by voting all or a portion of loaned securities.

While most resolutions are routine, from time to time, the Proxy Voting and Governance Committee in conjunction with the investment management team may determine that the expected economic benefit of voting clients' entire holding is greater than the projected lending revenue. Shares on loan are not recalled to vote unless the case can be made that the optimal voting outcome would be economically beneficial for clients and voting all eligible shares in client portfolios would increase the likelihood of achieving that outcome.

Index/Passive Fixed Income Mandates and Cash Strategies

MIC has elected to forgo proxy voting for certain index and passively managed Fixed Income accounts. MIC typically does not vote proxies on behalf of cash mandates. The operational burden and costs of maintaining such accounts on vendor platforms was considered in making this decision. Recognizing that proxy voting is a rare event in the realm of fixed income

investing, MIC has made a determination that the items presented for vote are not likely to have a material impact on shareholder value.

Proxy Voting Disclosure

Clients who have delegated proxy voting authority to MIC may obtain the proxy voting records for their account upon written or verbal request.

Oversight Activities - Operational

The Pune Proxy Operations Team performs periodic oversight of the operational and voting processes implemented on behalf of clients to ensure that proxy ballots are voted in accordance with established guidelines. These activities may include, but are not limited to, monthly account reconciliation between the voting agent and MIC records and forensic testing of the application of vote instruction in relation to policy vote recommendations at the ballot level. These efforts are monitored as a component of our Rule 206(4) -7 compliance program.

Oversight Activities – Proxy Advisors

MIC, with the assistance of the BNY Mellon Proxy Research & Governance team, as well as certain BNY Mellon vendor review groups, provides oversight of the Proxy Advisors through various activities. Depending on the particular set of services a Proxy Advisor is engaged to provide, these activities may include, but are not limited to:

- Annual request and review of information related to compliance policies and procedures.
- Annual compliance due diligence questionnaires, certifications and/or document requests.
- Annual and ad hoc due diligence meetings, as well as periodic on-site due diligence meetings.
- Periodic meetings, correspondence and telephonic communications, as needed.
- Periodic review of the proxy advisor’s systems to assess whether the Voting Guidelines are reflected accurately.
- Periodic review and testing of proxy votes, with respect to routine proposals, as well as those proposals which require more analysis.
- Periodic review of SSAE 18 and/or other external reports or summaries thereof, where applicable.
- Periodic review of BNY Mellon’s (internal and/or external) vendor review groups reports, where applicable.

Maintenance of Required Records

MIC, with the assistance of engaged service providers, shall maintain such records as required under Rule 204-2.

Reference

Rules 206(4)-6 and 204-2 under The Investment Advisers Act of 1940
ERISA Rule 404a-1
BNY Mellon Proxy Voting Conflicts of Interest Policy (II-K-052)

Policy Content Owners

Compliance
MIC Proxy Voting and Governance Committee

Revision History

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