

Whereas: T. Rowe Price (TROW) is a respected leader in financial services. TROW's "ESG Policy" describes how environmental, social, and governance (ESG) "risk considerations" are incorporated into investment decisions. That policy expresses TROW's belief that ESG issues can influence investment risk and return, thus affirming that such issues need to be addressed with due care by TROW.

TROW subsidiaries invest money on behalf of clients and, as fiduciaries, are responsible for voting proxies of public equities. Proxy voting is a primary mechanism for investors to express to management their opinions on many policies and practices.

One of the important issues investors face is climate change. Yet the voting practices of TROW funds appear to discount this risk dramatically.

Joining numerous global leaders highlighting climate risk, Mark Carney, Governor of the Bank of England, stated "the combination of the weight of scientific evidence and the dynamics of the financial system suggest that, in the fullness of time, climate change will threaten financial resilience and longer-term prosperity." BlackRock has also published an important paper on climate risk highlighting challenges for investors.

However, publicly reported proxy voting records for TROW funds reveal consistent votes against the vast majority of climate-related and social resolutions even when there is a strong financial case for support. These include requests for enhanced disclosure or greenhouse gas reduction goals.

In contrast, funds managed by firms such as AllianceBernstein, Deutsche, Goldman Sachs, Morgan Stanley, and Wells Fargo supported the majority of these resolutions.

TROW funds appear reluctant to exercise proxy votes supporting reasonable shareholder proposals on climate and environmental risk. And TROW may soon fall further behind. Fidelity, Vanguard, and BlackRock have begun to revise their proxy voting and to report comprehensively on the way they analyze shareholder proposals focused on high-risk sectors and how they engage companies on climate risk. TROW's peers are also expanding their websites and client communications to explain their voting in more detail.

Proxy voting practices that consistently discount climate change fail to recognize significant company-specific and economy-wide risks associated with negative impacts of climate change. For example, companies effectively addressing climate changes that impact business are acting to protect long-term shareholder value.

TROW has signed the United Nations Principles for Responsible Investment. Signatories pledge to "be active owners and incorporate ESG issues into...ownership policies and practices." We believe a voting pattern opposing the vast majority of social or environmental shareholder proposals contradicts this principle and undermines TROW's efforts to engage with companies regarding ESG risks.

Thus, we believe it is the duty of TROW and subsidiaries to review how climate change impacts our economy and portfolio companies, evaluate how shareholder resolutions on climate may impact shareholder value, and vote accordingly.

Resolved: Shareowners request that the Board of Directors initiate a review and issue a report on our proxy voting policies and practices related to climate change prepared at reasonable cost and omitting proprietary information.