STRIVE

ASSET MANAGEMENT

2022 - 2023

NorthStar Proxy Voting Guide

Effective for all 2022 and 2023 Shareholder Meetings

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Strive Corporate Governance Department

STRIVE

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A Letter from Strive's Head of Corporate Governance

To the owners of our funds -

I am excited to share Strive's inaugural 2022-2023 NorthStar Proxy Voting Guide. Our approach to corporate governance is simple: We are laser focused on fulfilling our fiduciary duties to our clients. This guide will be providing the framework for how Strive will vote in accordance with those duties, to further our shared interest in maximizing the long-term value of our funds.

In recent years, many large asset managers have used the funds entrusted to their care to advance their personal policy and political preferences, rather than maximize returns. They do so by supporting shareholder proposals on issues that should be resolved through politics, not shareholder meetings. As a result, the voices of true investors—the millions of Americans who invest in the stock market on their own or through retirement accounts—have been slowly silenced in corporate boardrooms. Strive aims to reverse this trend by being very clear from the outset that our vote is intended solely to maximize shareholder value, and that we plan to do so by taking politics out of corporate America.

Strive's *Five Pillars of Excellence Capitalism* guide our decisions as we vote in the pecuniary interest of the owners of our funds. Those pillars ensure that companies maximize shareholder value without any mixed motivations that are often driven by social and political factors. Our goal is to maximize our clients' investments, but we believe that in doing so, we will create a better corporate America that brings together talented groups of people that will tirelessly innovate to improve the lives of customers and shareholders alike. And we invite other investors, advisers, and asset managers to join us in that endeavor.

With over a decade of corporate governance experience engaging businesses and proxy voting, I have long served as a voice for those ignored by corporate interests. I am excited and humbled to lead a dedicated team who share that desire.

We are honored to be bringing your voice to corporate America and we hope this guide helps illuminate how we plan to do so.

Very Best,

Justin Danhof
Head of Corporate Governance, Strive Asset Management

Introduction

This guide provides an overview of Strive's voting philosophy as well as our expectations for companies that we engage.[1] Through our engagements, we encourage companies to set and exceed high standards for corporate governance leading to greater resilience and shareholder value. Through our proxy votes, we seek to restore the franchise back to millions of Americans whose values are being misrepresented at the corporate ballot box. In both instances, we aim to maximize long-term value by depoliticizing corporate America. To this end, Strive's voting and engagement strategy directs businesses away from political mandates and towards Excellence Capitalism. The five pillars of Excellence Capitalism are:

1. **Mission Driven.** Companies that stay true to their missions will avoid costly and time-consuming distractions. Businesses that take the time to opine on all the social issues of the day will be constantly dragged into the nation's culture wars. Mission creep is a costly distraction from a company's core competencies. Businesses that avoid that trap will set themselves up for greater results by producing superior products and services.
2. **Customer Centric.** America's most successful companies share the value that customers come first. Despite this fact, many companies are taking politicized actions that many of their customers oppose or find offensive. Businesses are best served when they focus on the needs and wants of their customer base and that focus will drive performance and shareholder value.
3. **Consistently Innovative.** We expect companies in our funds to be constant innovators and will engage them accordingly. If a car company churned out the same model year after year with no new features, it would soon find itself without customers. American capitalism has grown generation after generation by constantly undergoing transformative innovative change.
4. **Financially Disciplined.** Being financially disciplined is key to a company's success. All decisions, especially investment and capital allocation decisions, should be focused on financial consideration. There should be no political consideration when dealing with financial decisions.
5. **Meritocratic.** Strive believes that companies that fill vacancies with the most qualified applicants that will produce superior results. Hiring, compensation, and promotions should thus be exclusively based on merit with no regards to race, religion, gender, sexual preference, or any other politicized consideration.

[1] This guide is intended to provide a high-level overview; it is not a specific guide on every potential proxy ballot vote. Strive reserves the right to change or vote contrary to these guidelines when doing so is determined to be in the best interest of our clients.

Voting Guidelines

In the 2022 proxy season, shareholders submitted over 500 ESG proposals.[2] In 2023, those numbers will likely increase. Below is our guide to how we will continue to identify directors and proposals to support and oppose using our five pillars of Excellence Capitalism.

Boards of Directors

Directors have an obligation to oversee a company's management to maximize long-term shareholder value. Where such oversight stewardship is wanting, Strive may vote against individual board members, committee chairs or the entire board.

Board Members: To evaluate director nominations, Strive intends to research each board nominee to determine whether, based on publicly available information, the nominee has any red flags warranting further investigation. Such red flags may include (1) taking public stances favoring ESG or stakeholder capitalism, (2) signing, pledging or joining any organizations devoted to ESG goals, or (3) any evidence that the nominee has steered the company, or any other company, towards ESG or away from Excellence Capitalism. If a nominee has no red flags, Strive will generally vote according to the Board's recommendation. If a nominee has a red flag, Strive's stewardship team will conduct a strict scrutiny review to determine whether there is evidence that the red flags have affected, or are likely to affect, the company. If, in Strive's judgement, the nominee is likely to harm long-term shareholder value, it will vote against the nominee; if there is no evidence that the nominees' personal beliefs or past actions will hurt long-term shareholder value, Strive will vote in favor of the nominee.

Committee Chairs: Strive may vote against committee chairs in the following circumstances:

- *Chairman of the Board:* Strive will generally vote against a chairman where the company has a history of taking strong actions not in the best interest of shareholders.
- *ESG Committee Chair:* Strive will generally vote against all ESG committee chairs, as Strive believes such committees decrease long-term shareholder value.

[2] Jean Kuei, Rachel Rhodes, Paula Weber, Stacie Yee, *ESG over the 2022 Proxy Season*, JDSUPRA, July 15, 2022, *available at* https://www.jdsupra.com/legalnews/esg-over-the-2022-proxy-season-9261522/ - :~:text=As of May 16, 2022, the 2022 Proxy,on ESG topics for the 2021 Proxy Season.%29.

- *Compensation Committee Chair:* Strive will generally vote against compensation committee chairs where there is evidence that there is an ESG component to executive compensation.
- *Nominating Committee Chair:* Strive will generally vote against nominating committee chairs where the company has stated an intention to use racial or gender quotas or targets for their board of directors. This approach is distinct from other large asset managers. BlackRock, for example, withholds votes from nominating committee members if companies do not "have at least two directors on their board who identify as female and at least one who identifies as a member of an underrepresented Group."[3] Goldman Sachs votes against US directors that don't "have at least 10% women directors and at least one other diverse board director."[4] And Vanguard "will generally vote against the nominating and/or governance committee chair (or the director if needed) if a company's board is making insufficient progress in its diversity composition."[5] Strive hopes to bring a different, merit-based voice to this debate.

Environmental Proposals

ESG proponents file more proposals on environmental issues than on any other topic. Strive supports energy companies of all stripes: American oil companies should endeavor to be the best oil company, and solar energy companies should aim to be the best solar energy company. Strive will support resolutions that focus corporate behavior in ways that orient energy companies to stay true to their mission. Strive will generally oppose environmental and energy shareholder resolutions that would require a company to veer from its mission. Our approach to some of the more common types of climate-related shareholder proposals is outlined below.

Climate Disclosures and Net Zero Business Plans

In 2022, shareholders filed over a hundred proposals asking companies to make climate disclosures that include aligning their business plans with net

[3] *BlackRock Investment Stewardship – Proxy Voting Guidelines for U.S. Securities,* BlackRock, Jan. 2022, https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-guidelines-us.pdf.
[4] *Policies, Procedures and Guidelines for Goldman Sachs Asset Management's Global Proxy Voting*, Goldman Sachs Asset Management, Mar. 2022, https://www.gsam.com/content/dam/gsam/pdfs/us/en/miscellaneous/voting_proxy_policy.pdf?sa=n&rd=n.
[5] *Proxy Voting Policy for U.S. Portfolio Companies*, Vanguard, March 1, 2022, https://corporate.vanguard.com/content/dam/corp/advocate/investment-stewardship/pdf/policies-and-reports/US_Proxy_Voting.pdf.

zero, the Paris Agreement, or other decarbonization scenarios.6 These proposals force companies to assume, for instance, that the world will reach net zero carbon emissions by 2050 (however unlikely that outcome may be), and then plan accordingly.7 In doing so, proponents of such resolutions hope to accelerate the transition to net zero for environmental reasons, not financial ones, and do so without conducting a robust, financially-based cost-benefit analysis of whether such disclosures and business plans help or harm the companies that complete them. Despite the lack of persuasive evidence that such disclosures help long-term value, many large asset managers also seek to direct corporate behavior in such a fashion. BlackRock, for instance, has advised its portfolio companies that it "encourage[s] companies to demonstrate that their plans are resilient under likely decarbonization pathways, and the global aspiration to limit warming to1.5°C."8 Strive, in contrast, opposes such reports and asks companies to prepare business plans that are solely aimed towards maximizing long-term return.

Emissions Caps and Fossil Fuel Boycotts

ESG proponents, including large asset managers, have also supported shareholder resolutions mandating companies adopt carbon emissions reduction targets and engage in fossil fuel boycotts.

BlackRock, for instance, supported a Scope 3 carbon emissions reduction proposal at Chevron in 2021 (although it later denied that it ever supported Scope 3 targets), over the objection of Chevron's board, who did not believe the proposal would increase long-term shareholder value.[9] Similar proposals have been brought at Shell and BP. Strive believes such caps are not conducive to long-term shareholder value, as they constrain management from investing in exploration, drilling and refining projects that may be more profitable to investors on a risk-adjusted, long-term return on investment basis. Strive also opposes Scope 3 emissions caps in other industries, outside of the energy sector, as such caps are also arbitrarily constraining on management who are then tasked to make decisions about suppliers, vendors, customers, facilities, remote working, and other business decisions based on environmental factors, rather than what's in the best interest of the company.

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[6] The Conference Board, In the 2022 Proxy Season, Proposals on Climate Disclosures and Racial Equity Audits Gained Significant Momentum, Sept. 28, 2022, https://www.prnewswire.com/news-releases/in-the-2022-proxy-season-proposals-on-climate-disclosures-and-racial-equity-audits-gained-significant-momentum-301635652.html.
[7] *See* Mark Brnovich, Arizona Defends Retirees Against ESG, The Wall Street Journal, Aug. 15, 2022, https://www.wsj.com/articles/arizona-defends-retirees-against-esg-blackrock-asset-management-retirement-net-zero-greenhouse-gas-fiduciary-duty-pension-gender-quota-california-11660571998.
[8] See, *BlackRock Investment Stewardship: Proxy Voting Guidelines for U.S. Securities*, January 2022, *available at* https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-guidelines-us.pdf.
[9] *See* Vivek Ramaswamy, Our Letter to Chevron, September 6, 2022, https://strive.com/strive-asset-management-letter-to-chevron/.

Shareholder proposals related to fossil fuel boycotts have also gained in popularity. Citigroup, Bank of America and Wells Fargo each faced shareholder proposals asking the banks to stop financing new fossil fuels projects.[10] And ESG proponents made similar requests of insurance companies—including Chubb, Hartford and Travelers—asking them to stop underwriting new fossil fuel business.[11] On its face, it is hard to imagine how turning down new business for environmental reasons helps the long-term profitability of these banks or insurance companies. Further, refusing to finance or underwrite new fossil fuel projects risks political backlash, as states like Texas have passed anti-boycott laws, which would further jeopardize shareholder value. Strive will therefore generally oppose such resolutions, which prevent management from making decisions that it believes are in the best long-term financial value of shareholders.

Recycling and Plastic Reduction

Shareholders resolutions aimed at reducing and recycling plastic waste have also proliferated. McDonald's, Kraft Heinz, General Mills and Kroger, among others, have faced resolutions from ESG proponents to disclose how their plastic packaging impacts the environment and roll out detailed plans to reduce plastic.[12] Such proposals are typically brought by eco-minded nonprofit organizations, like Green Century Funds,[13] whose goal is to "help investors make an impact" on "environmental and public health issues,"[14] rather than maximize returns. Strive will generally oppose such resolutions as they are not an attempt to maximize shareholder value.

Financially-Focused Decision making

While Strive opposes environmental proposals that constrain management and prevent companies from making financially prudent investments, Strive supports proposals that would free management from such constraints and would otherwise ensure management is able to, and charged with, making all decisions solely on the basis of long-term financial return on investment.

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[10] Elizabeth Dilts Marshall & Ross Kerber, Bank shareholder proposals to curb new fossil fuel lending get slim support, Reuters, Apr. 26, 2022, https://www.reuters.com/business/sustainable-business/bank-shareholder-proposals-curb-new-fossil-fuel-lending-get-slim-support-2022-04-26/.

[11] *See* Jen Frost, The investors taking on fossil fuel insurers, Insurance Business Magazine, May 20, 2022, https://www.insurancebusinessmag.com/us/news/environmental/the-investors-taking-on-fossil-fuel-insurers-406833.aspx.

[12] *See* Allison Nicole Smith, Shareholders raise pressure on big brands over plastic pollution, Crain's Detroit Business, July 29, 2021, https://www.crainsdetroit.com/crains-forum/shareholders-raise-pressure-big-brands-over-plastic-pollution.

[13] https://www.greencentury.com/general-mills-shareholders-call-for-less-plastic-packaging-over-55-of-voting-shareholders-opt-for-green-century-proposal/.

[14] https://www.greencentury.com/why-choose-green-century/.

Social Proposals

Socially motivated ESG proposals are also on the rise, and we expect to see more of them in 2022-2023. We will evaluate such proposals on an individual basis, focusing exclusively on whether the proposal is likely to maximize long-term value. Below are some of the most common types of social proposals, and how Strive will likely vote.

Affirmative Action and Racial Equity Audits

In recent years, many ESG proponents have sought to dictate corporate hiring and promotion activities based on gender, race, and sexual orientation preferences. These initiatives are often backed by large asset managers.[15] Some proponents have also pushed for affirmative action type systems for corporate boards and often receive support from large U.S. asset managers. Strive generally opposes any proposal that asks a company to make hiring and promotion decisions based on anything other than merit.

Along similar lines, shareholder activists have begun filing resolutions seeking racial equity audits – sometimes referred to as civil rights audits.[16] Such audits are divisive, expensive, distracting, and harmful to the companies that undertake them, and so are antithetical to the generation of long-term shareholder value.[17] And in at least one instance, the completion of a racial equity audit led directly to a shareholder derivative lawsuit, as the auditor recommended Starbucks adopt race-conscious policies that violate federal and state civil rights laws.[18] Because racial equity audits harm, rather than help, shareholder value, Strive will generally oppose these proposals.

Political Donations and Lobbying Proposals

Many ESG proposals seek to influence corporate engagement in the political and legislative process. Strive supports corporate engagement with the political, legislative, and legal process when those issues are germane to the company's operations and the company is engaging in ways favorable to its long-term profitability. Many shareholder proposals fall outside of those parameters. ESG proponents, for instance, have called on Denny's to cut ties

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[15] *BlackRock Investment Stewardship: Proxy Voting Guidelines for U.S. Securities*, Jan. 2022, https://www.blackrock.com/corporate/literature/fact-sheet/blk-responsible-investment-guidelines-us.pdf at 18, "We expect companies to disclose the steps they are taking to advance diversity, equity, and inclusion. . .. Where we believe a company's disclosures or practices fall short. . . [we may] support relevant shareholder proposals."

[16] Andrew Ramanos, *ESG Investors Push More Racial After Wins at Apple, J&J*, Bloomberg Law, May 25, 2022, *available at* https://news.bloomberglaw.com/securities-law/esg-investors-push-more-racial-issues-after-wins-at-apple-j-j.

[17] *See* Vivek Ramaswamy, Our Letter to Apple, September 19, 2022, https://strive.com/strive-asset-management-letter-to-apple/.

[18] *See* Jonathan Stempel, Starbucks executives, directors are sued over diversity policies, Reuters, Aug. 31, 2022, https://www.reuters.com/business/retail-consumer/starbucks-executives-directors-are-sued-over-diversity-policies-2022-08-31/.

with the National Restaurant Association because the trade group lobbies against increases in the minimum wage,[19] and have asked eBay to leave ALEC because if its climate change lobbying efforts.[20] Other shareholder proposals expressly require companies to align all lobbying efforts with the goals of the Paris Agreement[21] or other social goals. Because such proposals are aimed towards promoting social goals rather than shareholder value, Strive will generally oppose those resolutions. Strive will also generally oppose political and lobbying resolutions that are clearly intentioned to advance a truly political agenda – such as defunding one political party or organizations deemed to support one political party – as such resolutions rarely enhance long-term value.

Abortion Proposals

In recent years, there has been an uptick in shareholder proposals related to abortion and life issues, which is likely to increase following the Supreme Court's *Dobbs* decision.[22] Companies such as Walmart, TJX, Krogers, and Lowes faced shareholder votes on proposals that were designed to craft corporate policies regarding abortion.[23]

To date, these resolutions are primarily designed to pressure businesses to relocate from states with pro-life laws and make political donations to pro-life causes and candidates. For example, the Walmart proposal asked the company to issue a report "detailing any known and any potential risks and costs to the Company caused by enacted or proposed state policies severely restricting reproductive rights" and explain its "decisions regarding closure or expansion of operations in states proposing or enacting restrictive laws."[24]

At Strive, we believe debates about life are best resolved by elected representatives and the judicial branch. Furthermore, Strive believes business

[19] Julia Rock, Denny's Shareholders Revolt After Top Exec Concedes $15 Minimum Wage Won't Hurt Business, Newsweek, May 5, 2021, https://www.newsweek.com/dennys-shareholders-revolt-after-ceo-concedes-15-minimum-wage-wont-hurt-business-1588970.

[20] *See* Valerie Volcovici, Investors, activists press eBay, others to break up with ALEC, Reuters, Oct. 7, 2014, https://www.reuters.com/article/climatechange-alec-idAFL2N0S226220141007.

[21] *See* Interfaith Center on Corporate Responsibility, 2022 Paris-Aligned Climate Lobbying Shareholder Proposals, https://www.iccr.org/2022-paris-aligned-climate-lobbying-shareholder-proposals. While such proposals are sometimes framed in terms of disclosures, rather than mandates, Strive is equally likely to oppose such proposals as costly and antithetical to the long-term generation of shareholder value. ESG proponents often seek such disclosures so that they can criticize and publicly shame companies that they do not believe are climate-friendly enough, which is unlikely to generate shareholder value.

[22] Erin Mulvaney, *Shareholder Activism Emerging as New Path to Abortion Rights*, Bloomberg Law, May 4, 2022, *available at* https://news.bloomberglaw.com/us-law-week/shareholder-activism-emerging-as-path-to-protect-abortion-rights (last accessed October 21, 2022).

[23] *Id. See also Trends and Updates from the 2022 Proxy Season,* Freshfields, July 2022, *available at* https://ssl.freshfields.com/noindex/documents/0722/trends-and-updates-from-the-2022-proxy-season.pdf (last accessed October 21, 2022).

[24] *Walmart Notice of 2022 Annual Shareholder Meeting and Proxy Statement*, April 21, 2022, at 89, https://corporate.walmart.com/media-library/document/walmart-inc-2022-proxy-statement/_proxyDocument?id=00000180-4da7-d3b6-afe6-6df75bc30000.

leaders are best situated to decide the locus of company operations and would, thus, generally oppose such resolutions.

Workplace Proposals

Strive believes that fostering a healthy work environment centers on mutual respect and meritocratic hiring and promotion. Further, so long as the board and management are fulfilling their duties to maximize long-term shareholder value, the day-to-day decisions on how best to do so are typically best left to the management team. As such, Strive will generally oppose the following resolution types:

- Proposals that dictate employee compensation levels, including proposals seeking to increase wages for tipped workers.[25]
- Proposals that mandate methods of dispute resolution.[26]
- Proposals that seek to audit company unionization practices, including proposals seeking to force compliance with standards set by nonprofits such as the International Labour Organization and UN working groups.[27]
- Proposals seeking gender or racial pay gap reports.[28]
- Proposals purporting to concern worker safety, but focus on race and gender safety ratios.[29]

Censorship Proposals

Strive will generally oppose resolutions that seek speech, content, or product censorship based on viewpoint, as such resolutions are typically motivated by social concerns rather than driving shareholder value. Over the past few years, ESG proponents have submitted shareholder resolutions requesting, for example, that YouTube issue a report on "the spread of hate speech" on the site,[30] that Meta report on the "external costs of misinformation,"[31] and that Google conduct a third-party audit of the supposed human rights

[25] *See* Joe Guszkowski, Shareholders push Denny's and dine to look at ending tip credit, Restaurant Business, May 5, 2022, https://www.restaurantbusinessonline.com/workforce/shareholders-push-dennys-dine-look-ending-tip-credit.
[26] *See* Richard Vanderford, Shareholder Voices Poised to Grow Louder with SEC's Help, The Wall Street Journal, Feb. 11, 2022, https://www.wsj.com/articles/shareholder-voices-poised-to-grow-louder-with-secs-help-11644575402.
[27] *See, e.g.*, Ben Maiden, Apple faces workers' rights shareholder proposal, Sept. 8, 2022, https://www.corporatesecretary.com/articles/esg/33152/apple-faces-workers%E2%80%99-rights-shareholder-proposal.
[28] Emile Hallez, Disney shareholders want pay gap reports, Investment News, Mar. 11, 2022, https://www.investmentnews.com/disney-proxy-votes-pay-gap-218507.
[29] *See* Kari Paul, Amazon shareholders reject 15 motions on worker rights and environment, The Guardian, May 25, 2022, https://www.theguardian.com/technology/2022/may/25/amazon-shareholder-proposal-worker-health-safety.
[30] *See* Google 2019 proxy statement, https://www.sec.gov/Archives/edgar/data/1652044/000130817919000205/lgoog2019_def14a.htm.
[31] Meta 2022 Proxy Statement, (April 8, 2022), at 72 https://d18rn0p25nwr6d.cloudfront.net/CIK-0001326801/22a38320-0a0a-4f62-935d-41ab580273de.pdf.

impacts of the information on its site.[32] Such reports are not likely to increase shareholder value, as they are designed to increase viewpoint-based censorship, not aid management in making financially sound cost-benefits analyses. The Meta proposal, for instance, states that "Facebook is becoming the last bastion of climate denial" and that posts about "COVID hesitancy has the potential to cause severe societal harm."[33] Certain of these proposals have received support not only from vocal ESG advocates like the New York City pension funds, but from BlackRock and State Street as well. Strive, in contrast, will likely vote against such proposals.

Merit-Based Proposals

Strive will generally support resolutions that require companies to make all hiring decisions based on merit alone, without regard to race, sex, gender, sexual orientation, political views, or any other social characteristic.

Governance Proposals

Executive Compensation Proposals

Strive may vote against executive compensation packages where the company engages in activities that violate one of the five core tenets of Excellence Capitalism. Strive will also generally vote against shareholder proposals that seek to tie executive compensation to extraneous issues unrelated to business performance like ESG metrics. Strive may also vote against proposals that limit the CEO to average worker ratio

Tax Strategy Proposals

Until recently, there has been a near-universal consensus good governance practices require companies to maximize company value by taking advantage of all legally available, financially prudent tax strategies. More recently, however, ESG proponents have advocated for companies to decline to take advantage of tax-avoidance strategies and voluntarily pay more taxes than legally required. As Price Waterhouse Coopers explains, "A company's approach to tax is no longer just a question of compliance. In the context of the ESG imperative, it is becoming a powerful indicator of how a business views its role in society and its commitment to its purpose. It is a critical element of a business's social contribution."[34] In other words, ESG proponents

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[32] Alphabet 2022 Proxy Statement https://abc.xyz/investor/static/pdf/2022_alphabet_proxy_statement.pdf?cache=348b7f1

[33] *See* n.31 *supra*.

[34] PwC, Tax is a crucial part of the ESG conversation, https://www.pwc.com/gx/en/services/tax/publications/tax-is-a-crucial-part-of-esg-reporting.html.

want to move taxes from a "g" issue to an "s" issue.[35] And they are doing so through shareholder proposals, such as a 2022 proposal at Amazon that asked the company to publicly disclose how much it pays in taxes, and where, because "tax avoidance is a key driver of global inequality."[36] Because such proposals seek to further social aims, rather than maximize shareholder value, Strive will typically vote against them.

Routine Governance Proposals

Strive intends to review routine governance proposals on a case-by-case basis to determine whether they advance shareholder value, but will generally vote with the board's recommendation on proposals relating to creating or extending term limits for directors, whether or not to separate the chairman from the chief executive officer, whether or not to limit the number of boards a director may sit on, and other traditional governance issues. Strive will also generally vote in favor of corporate housekeeping proposals such as the selection of auditors or decisions following mergers.

International Proxy Ballots

Strive generally voted international proxy ballots in line with the parameters of this guide with a few caveats.

When it comes to international proxy ballots, there are two scenarios in which Strive may deviate from its general policies. First, when a ballot is unavailable in English. Second, when a local law diverges from Strive's values as reflected in our proxy votes and corporate engagement.

When Ballots Are Unavailable in English

When a proxy ballot is printed in a native language but unavailable in English, Strive will make reasonable efforts to translate the ballot and vote according to our Proxy Voting Policies and Procedures and our NorthStar Voter Guide. If Strive is unable to translate the ballot, Strive will abstain from each voting item.

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[35] *See* Carrie Brandon Elliot, Tax as a Component of ESG, Forbes, Oct. 20, 2022, https://www.forbes.com/sites/taxnotes/2022/10/20/tax-as-a-component-of-esg/?sh=5ada93b25155; alterDomus, How Tax Integrity Laws and Trends Affect Corporate Service Providers, Apr. 15, 2020, https://www.alterdomus.com/infomedia/market-news/detail/how-tax-integrity-laws-and-trends-affect-corporate-service-providers.
[36] Amazon 2022 Proxy Statement, https://www.sec.gov/Archives/edgar/data/1018724/000110465922045572/tm223357-5_def14a.htm.

When Local Laws Diverge from Strive's Voting Paradigm

In some instances, local laws may conflict with Strive's generally voting philosophy. In instances where Strive would vote against a proposal or board member of a United States-based company, but the only difference in the voting analysis is that the proposal or board member's status exists as a matter of local law, Strive will generally abstain from those votes.

For example, Strive believes that board members should be appointed solely on merit. Some nations mandate certain board appointments based on factors such as gender. Strive will not vote against board members who are appointed to satisfy such local laws and will instead likely abstain. Additionally, certain jurisdictions require businesses to consider ESG (Environmental, Social, and Corporate Governance) factors and criteria that Strive generally opposes. Strive will not vote against ballot measure that are meant to comply with such factors or criteria and instead will likely abstain.

Looking Ahead

Heading into 2023, Strive will continue to work to empower our shareholders as we advocate to keep corporations focused on excellence, and we will continue to communicate with our shareholders to provide transparency on our efforts. Through our meaningful engagement and voting strategies, we look forward to delivering greater prosperity for shareholders.

This document is intended for educational purposes only. All investing involves risk, including the loss of principal.