KAYNE ANDERSON

Kayne Anderson Capital Advisors Proxy Voting Guidelines

Updated April 2025

INTRODUCTION

Kayne Anderson Capital Advisors, L.P. (including affiliated registered investment advisors, collectively "Kayne Anderson" or "we") seeks to vote proxies in the manner most likely to protect and promote the economic value of the securities held in client accounts while at the same time adhering to our philosophy regarding sustainability practices that we believe companies should follow. The following issue-specific guidelines (the "Guidelines") are intended to summarize Kayne Anderson's general philosophy and approach to certain corporate governance issues that most commonly arise in proxy voting. However, these Guidelines are not intended to limit the analysis of individual issues and we take great care to evaluate proxy voting matters on a case-by-case basis. There may be instances where we deviate from the Guidelines in order to protect the long-term interests of client accounts.

BOARDS AND DIRECTORS

The board of directors has a fiduciary obligation to shareholders and must ensure that management is acting in the best interest of the corporation's long-term success. The board's oversight responsibilities include corporate strategy, risk management, the company's financial performance and that of management. In addition, the board should promote a culture of strong ethics and integrity.

Board Independence

Kayne Anderson believes that one of the most fundamental components of sound corporate governance is board independence. In our view, public companies should have a majority independent board. An independent board mitigates the potential for conflicts and is aligned with the interests of shareholders. In addition, we believe the members of key committees, including audit, compensation and nominating/governance, should be composed exclusively of independent directors.

An independent director shall be free from any interest or relationship that creates a potential conflict or could otherwise interfere with the director's ability to act in the best interest of shareholders.

Independent Chair

Kayne Anderson is generally in favor of an independent chairperson. In the event of a combined Chairman/CEO role, we expect companies to have a lead independent director. Lead independent directors should be empowered to work with the Chairman to set board agendas and to convene meetings of the independent directors.

Overboarding & Attendance

Directors should commit sufficient time and attention to carry out their fiduciary duties to shareholders. Serving as a director of a public company requires a significant commitment. A poor attendance record makes it difficult for a director to carry out their responsibilities. We generally expect directors to attend at least 75% of board and committee meetings.

We believe that sitting on an excessive number of boards may hinder a director's ability to effectively serve. Kayne Anderson generally defines overboarding as the following:

- Directors sit on more than four public company boards; or
- CEOs sit on the board of more than two public companies (in addition to their own company); however, there is a strong preference for no more than one.

Tenure & Diversity

Kayne Anderson believes a diverse range of backgrounds, experience and viewpoints is beneficial to long-term corporate success.

Boards should consider the tenure of individual directors as well as the range of tenures across the board as part of the annual assessment. Excessive board tenure compared to market peers will be considered as part of our assessment of corporate governance practices. We will evaluate proposals to introduce term limits on a case-by-case basis.

Succession Planning

Kayne Anderson believes that succession planning for board and management is an important responsibility. Companies should disclose their planning process in detail to shareholders.

SHAREHOLDER RIGHTS

One of the main principles of corporate governance is shareholder rights. We look to boards to protect this right and ensure that no actions are taken that would, in our view, diminish these rights.

Right to Call a Special Meeting

Kayne Anderson believes that shareholders should have the ability to raise material issues without waiting for management to convene a meeting. In order to avoid abuse of this shareholder right, we encourage companies to establish reasonable thresholds regarding the percentage of outstanding stock that shareholders must hold to convene a special meeting.

Proxy Access

Kayne Anderson believes that long-term shareholders should have the opportunity to nominate directors and we support proposals with reasonable ownership threshold and duration requirements. While we generally support proposals that permit shareholders who hold no less than three percent of a company's voting shares for a minimum of two years to advance non-management board candidates that comprise no more than 20% of the total board, we also take other factors into account, such as the size of the company (e.g. market capitalization or shares outstanding).

We will not support proxy access proposals that we believe could be used to promote hostile takeovers. However, if we believe proxy access provisions are used to unreasonably restrict the rights of shareholders, we will consider withholding votes from members of the corporate governance and nominating committees until we feel the issue has been appropriately resolved.

Share Blocking

Some countries allow the practice of share blocking, where shareholders are “blocked” or prevented from trading their position from the time the proxy votes are submitted to the date after the shareholder meeting. This practice presents considerations for the management of portfolios and is not in the best interests of shareholders. Accordingly, we may not vote shares subject to blocking if we determine it is in the best interests of our clients.

COMPENSATION

Kayne Anderson believes that sound compensation practices underpin long-term performance for shareholders and we have a fiduciary responsibility to assess a board’s oversight of compensation. We support compensation plans that align the economic interests of management with those of shareholders. We believe companies have a responsibility to give detailed disclosure on the drivers and components of both long-term and short-term compensation. Companies’ compensation should be appropriately indexed to industry peers. We engage with companies and recommend financial components of compensation be driven by per share metrics as opposed to absolute metrics, which we believe increases alignment with shareholders. Furthermore, we generally advocate for sustainability and/or corporate social responsibility to be broken out and delineated as part of compensation plans with detailed targets that we can assess performance against.

Say On Pay

We believe that companies should provide shareholders with the opportunity to provide feedback on compensation through “Say on Pay” Votes. When determining whether to approve an advisory vote on executive compensation, our decisions are based on the following considerations:

Executive Compensation Principles:

1. Alignment: Executive compensation should primarily be tied to long-term financial performance that includes both financial and operational outcomes.
2. Reasonableness: Executive compensation should be based on an analysis of industry peers, with consideration for key differences in company size and operations. Compensation well above the industry median should be justified in terms of company outperformance.
3. Transparency: Details regarding executive compensation programs should be publicly available and clearly understandable for both investors and executives.

Kayne Anderson supports proposals that we believe are aligned with our Executive Compensation Principles above.

Clawback

We believe clawback policies are appropriate for recoupment in the event of misconduct, fraudulent financial reporting, gross negligence or willful violations of corporate policies.

SUSTAINABILITY ISSUES

We believe that all companies face material sustainability risks, but to varying degrees. Proposals that address these issues should be assessed based on the degree to which relevant risks are being appropriately managed.

Climate Change

Kayne Anderson believes climate change is a risk to all companies, irrespective of industry, size or geographic location. Climate change also represents an opportunity for companies actively involved in facilitating the global energy transition.

When evaluating climate change proposals, we consider the following:

1. The company's overall business strategy and the industry in which it operates
2. The identification of climate-related risks and opportunities
3. Evidence of climate-related governance through board and executive level oversight
4. Disclosure of climate policies, procedures, and greenhouse gas emissions
5. Reduction targets with short, medium and long-term action plans

Sustainability Reporting

Kayne Anderson generally supports proposals that request boards and management to improve their disclosure of material sustainability risks. Such proposals should not be overly costly or burdensome.

Political Contributions

Kayne Anderson believes that companies may seek to influence public policy through political activities that are consistent with the company's values and long-term business strategies. However, we believe shareholders have the right to know if corporate funds are being utilized for lobbying activities and encourage transparency around this issue. Kayne Anderson supports proposals that request boards and managements to disclose political contributions.