WHEREAS: T. Rowe Price, like all investment managers, is responsible for voting proxies of companies in its portfolios. It has a fiduciary responsibility to vote proxies in a responsible manner in the interests of its clients, which includes ensuring executive pay is not excessive and, if executive pay deviates from the average, it is strictly and sufficiently tied to performance.

We find T. Rowe Price's voting record on executive pay is weak and its guidelines confusing. The company says it will evaluate advisory votes on compensation packages on a case-by-case basis, and vote no when there is "an unacceptable number of problematic pay elements." The policy lists examples of such elements, including particular "objectionable structural features," but does not state what an unacceptable number of problematic pay elements is.

Each year, As You Sow publishes a report identifying companies with the most overpaid CEOs ("The Most Overpaid CEOs"). Last year T. Rowe Price's level of opposition to such overpaid CEO compensation packages was only 8%.

In comparison, Schwab voted against 35% of these pay packages; Legg Mason voted against 31% and Dimensional voted against 46%. The public funds, many of which take more seriously their role as universal owners, voted against even higher percentages. Florida State Board voted against 70% of pay packages at companies with overpaid CEOs; British Columbia Investment Board voted against 76%, and New York City Retirement Funds voted against 59% of these proposals.

Numerous academic studies, for example Lucien Bebchuck's "Pay Without Performance," indicate a history of growing executive pay disconnected from company performance. Even when companies purport to link performance, in reality they often do not.

BE IT RESOLVED: Shareowners request the Board of Directors issue a report prior to the next annual meeting, at reasonable cost and omitting proprietary information, which evaluates options for bringing its voting practices in line with its stated principle of linking executive compensation and performance, including: adopting more specific guidance in proxy voting guidelines, adopting best practices of other asset managers and independent rating agencies, and including a broader range of research sources and principles for interpreting compensation data. Such report should assess whether and how the proposed changes would advance the interests of its clients and shareholders.