Harris Associates Japanese Stewardship Code Statement

This statement is issued by Harris Associates L.P. ("Harris"), a Delaware limited partnership that is registered as an investment adviser with the U.S. Securities and Exchange Commission ("SEC"). This document sets out how we implement our approach to each of the principles of the Japanese Stewardship Code published by the Council of Experts Concerning the Japanese Version of the Stewardship Code in February 2014. We support the spirit of Japanese Stewardship Code and the principles of good stewardship that are set out in the Code.

Principle 1. Institutional investors should have a clear policy on how they will fulfill their stewardship responsibilities, and publicly disclose it.

As an investment manager, Harris is charged with acting as a fiduciary to our clients. As such we have a duty to act in their best interests and to help them achieve their investment objectives. We take these responsibilities very seriously. Harris believes it is not always in our clients' economic interests for us to take an approach of strict adherence to each principle of the Code, but we incorporate the principles of the Code to the extent that compliance is consistent with the long term economic interests and the specific investment mandates of our clients. Our responses to Principles 2 through 7 detail how we intend to fulfill our stewardship responsibilities.

With respect to investments made on behalf of our clients, Harris seeks to act at all times in their best interests. To do this, we use an intensive, fundamental research process to identify companies that meet our value criteria. In particular, we focus on three primary attributes:

- Companies whose stock price represents a significant discount to our estimate of underlying business value
- Companies with growing free cash flow and intelligent investment of that excess cash
- Companies with management teams that think and act like owners

Harris also believes that issues of stewardship have the potential to impact our goal of achieving superior long-term returns. As a result, our assessment of company management and corporate governance plays a critical role in our investment process.

Principle 2. Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities, and publicly disclose it.

Harris believes that proxy voting rights are valuable client assets and an important part of our investment process, and we exercise our voting responsibilities solely with the goal of serving the best interests of our clients as shareholders of a company.

Harris has established a number of proxy voting guidelines on various issues of concern to investors. Harris will normally vote proxies in accordance with these guidelines. However, where issues are not covered by our guidelines or when the analyst responsible for covering a particular issuer recommends a vote contrary to our guidelines or, in the absence of a guideline, contrary to the recommendation of Institutional Shareholder Services ("ISS"), an independent third-party that analyzes proxy issues and recommends votes on those issues, Harris' Proxy

Voting Committee will determine whether the recommended vote is in the best economic interests of shareholders.

Harris' Proxy Voting Committee will monitor and resolve any potential conflicts of interest with respect to proxy voting. When a conflict of interest arises, in order to insure that proxies are voted solely in the best interests of our clients as shareholders, we will vote in accordance with either our written guidelines or the recommendation of ISS. If we believe that voting in accordance with the guidelines or the recommendation of ISS would not be in the collective best interests of shareholders, our Proxy Voting Conflicts Committee will determine how shares should be voted.

Principle 3. Institutional investors should monitor their investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

Harris invests in businesses that are trading at significant discounts to intrinsic value, where there is a clear path to that value growing on a per share basis over time, and that are operated by shareholder-oriented management. Our team of generalist research analysts uses an intensive, fundamental research process to implement our value investment philosophy. This means that our analysts perform in-depth company research and analysis, including not only financial analysis but they also have discussions with management teams, customers, suppliers and competitors to obtain a well-round view of the company in an effort to derive our estimates of the company's intrinsic value. The analysts will then continue to actively monitor a company for updated information and will adjust our estimates accordingly. With respect to non-financial factors such as environmental, social or governance matters, we will consider these matters to the extent that they present material risks to the long-term intrinsic value of a company as determined through our fundamental research process.

Principle 4. Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

Harris views investing as owning a piece of a business for the long term. As a result, we believe it is extremely important to understand how management envisions growing a company's free cash flow, allocating capital and otherwise maximizing long-term shareholder value. Harris accomplishes this understanding through its fundamental research process described above. As a general matter, Harris would not expect investee companies to provide us with information that would limit our ability to trade in the securities of the company, without our prior agreement.

If Harris believes that management is no longer working to maximize long-term shareholder value, we must decide whether remaining an investor in the company is in the best interest of our clients. In such circumstances, Harris may also engage with companies through direct and private discussions to share our views and ideas about creating shareholder value. Harris' preference is to have this type of direct and private engagement because we believe that it is more impactful and that our clients' long-term economic interests are better served. However, Harris may, where appropriate, escalate our engagement by making our views known publicly and using our proxy voting authority as a means of addressing crucial corporate governance issues and encouraging corporate actions to enhance shareholder value.

Principle 5. Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

Harris believes that proxy voting rights are valuable client assets and an important part of our investment process, and we exercise our voting responsibilities solely with the goal of serving the best interests of our clients as shareholders of a company. Harris believes that the proxy voting process is a significant means of addressing crucial corporate governance issues and encouraging corporate actions that enhance shareholder value. In determining how to vote on any proposal, Harris will consider the proposal's expected impact on shareholder value and will not consider any benefit to Harris or its employees or affiliates.

Harris considers the reputation, experience and competence of a company's management when we evaluate the merits of investing in a particular company, and we invest in companies in which we believe management and shareholder goals are aligned. Therefore, on most issues, Harris will vote in accordance with management's recommendations. This does not mean we do not care about corporate governance. Rather, it is a confirmation that our process of investing with shareholder aligned management is working. However, when we believe management's position on a particular issue is not in the best interests of our clients, we will vote contrary to management's recommendation.

Harris has established a number of proxy voting guidelines on various issues of concern to investors. Harris will normally vote proxies in accordance with these guidelines or absent guidelines with the recommendations of ISS. However, where issues are not covered by our guidelines or when the analyst responsible for covering a particular company recommends a vote contrary to our guidelines or, in the absence of a guideline, contrary to the recommendation of ISS, Harris' Proxy Voting Committee will determine whether the recommended vote is in the best economic interests of shareholders. Our voting guidelines do not cover all potential issues but generally address common issues related to boards of directors, auditors, equity-based compensation plans, and shareholder rights, among other things.

Harris keeps a record of its voting activity, and upon request a client may obtain information from Harris on how its proxies were voted. Harris also discloses how proxies were voted in accordance with applicable law. A summary of our Proxy Voting Policy is available on our website, www.harrisassoc.jp. In addition, Harris intends to update the information contained in this Stewardship statement if significant changes or developments in our approach occur.

Principle 6. Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities to their clients and beneficiaries.

Harris keeps a record of its voting activity, and upon request a client may obtain information from Harris on how its proxies were voted. Harris also discloses how proxies were voted in accordance with applicable law. A summary of our Proxy Voting Policy is available on our website, www.harrisassoc.jp. In addition, Harris intends to update the information contained in this Stewardship statement if significant changes or developments in our approach occur.

Principle 7. To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge of the investee companies and their business environment and skills and resources needed to appropriately engage with companies and make proper judgments in fulfilling their stewardship activities.

As discussed under Principles 3 and 4, Harris views investing as owning a piece of a business for the long term. Our team of generalist research analysts uses an intensive, fundamental research process to implement our value philosophy. This means that our analysts perform in-depth company research and analysis, including not only financial analysis but also they have discussions with management teams, customers, suppliers and competitors to obtain a well-round view of the company in an effort to derive our estimates of the company’s intrinsic value. Further, we will not be hesitant to engage with companies, when appropriate, to help enhance our client’s long-term interest in a company.

In addition, Harris is a member of the Asian Corporate Governance Association to help us with corporate governance and transparency issues in Japan. Harris may also on occasion have discussions with other institutional investors, where legally permitted and appropriate, regarding various issues concerning an investee company. Further, Harris may act collectively with other investors if we believe such action is in the best interests of our clients and is likely to enhance our ability to engage with the company, and is permitted by applicable law and regulation.

Finally, because Harris seeks to engage company management as part of its on-going investment process, we believe we appropriately review our engagement process and stewardship activities.

Last Updated: January 2019