

Proxy voting guidelines

May 2023

For qualified investors only. Strictly not for redistribution.





Contents

Proxy voting guidelines

- 1 Active ownership**
- 2 Proxy voting**
- 3 Development of proxy voting**
- 4 Scope**
- 5 Key criteria**
 - 5.1 Elections to boards of directors
 - 5.2 Management and executive committee
 - 5.3 Compensation (BoD and executive committee; ex ante and ex post)
 - 5.4 Capital structure
 - 5.5 Shareholder rights
 - 5.6 Shareholder proposals
 - 5.7 Environmental and social matters
- 6 Exercise of voting rights**

Proxy voting guidelines

1

Active ownership

As an asset manager, we are guided by our duty to act in the best interests of our clients and to preserve and optimize the long-term value of their investments. To promote best practices and to ensure that the investee companies are sustainable and successful in the long term, we influence the companies we invest in on two levels: first, through proxy voting, and second, through active engagement.



We recognize the importance of material ESG¹ factors, which reveal potential investment risks and opportunities, provide an indication of management excellence and leadership, and thus can have an impact on investment performance. Our guiding principles in proxy voting are therefore to promote good governance and sustainable corporate practices that contribute to long-term shareholder value creation, balancing the purpose of a proposal with the overall benefit to shareholders. Through proxy voting, our investment clients' voices are represented at numerous shareholder meetings each year, both nationally and internationally.

We consider it imperative to be an active owner of investee companies in which funds and discretionary mandates managed by Credit Suisse Asset Management are invested. It is important to us that proxy voting and engagement are interconnected. We meet regularly with representatives of companies to present our analyses and proxy votes in a transparent manner.



Please refer to our current Active Ownership Report for further details.

2

Proxy voting

As a global and responsible asset manager, we take an active stance: Through proxy voting, we participate in the shareholder meetings of investee companies and critically examine the most important voting matters, in line with our fiduciary duty. Through this we aim to ensure that their business models and practices are geared toward long-term value generation.

¹ ESG stands for environmental (E), social (S), and governance (G).

Proxy voting guidelines

3

Development of proxy voting

Credit Suisse Asset Management started early on with proxy voting. In the Swiss market, the first votes were cast in 2004. In 2013, we reached significant coverage of the Swiss market. Credit Suisse Asset Management enhanced the profile and importance of proxy voting further in 2019. Together with the relevant internal portfolio management teams (e.g. Equities, Index Solutions, and Multi Asset

Solutions), we brought Credit Suisse Asset Management in line with the European Shareholder Rights Directive II (SRD II). SRD II amends its predecessor to encourage long-term shareholder engagement. It seeks to improve corporate governance, to strengthen the position of shareholders, and to ensure that decisions are made to support the long-term stability of companies.

4

Scope

We currently vote at meetings of companies domiciled in the regions listed on the right. When choosing individual companies, we apply a materiality threshold. This means that a holding qualifies for proxy voting if it exceeds a certain threshold in any eligible fund.¹ When exercising voting rights, we take into account that regulatory frameworks, corporate cultures, and practices vary between markets.

- Switzerland and Liechtenstein
- European Union and United Kingdom
- North America
- developed markets of the Asia-Pacific region (Australia, New Zealand, Japan, Singapore, Hong Kong)
- Emerging markets: China, Taiwan, and South Africa

¹ If the weight exceeds 0.10% in any of the eligible funds. In Switzerland if the weight exceeds 0.03%.

5

Key criteria

The guidelines we set are informed by best practices. Since best practices can differ between markets, so do our guidelines. It is important to take local and regional circumstances and business practices into consideration. Nevertheless, wherever possible, we use the same thresholds and guidelines globally. The guidelines referred to in the "in summary" sections therefore refer to the ideal scenario. We apply the following criteria, among others, when assessing the corporate governance of companies:

- Composition and independence of the board of directors (BoD) and certain committees
- Management and executive board, where applicable

- Compensation (system and amount)
- Capital structure, including dilution of share capital
- Shareholder rights
- Environmental and social matters
- General corporate governance aspects

Elections to BoDs and the ratification of compensation schemes and articles of association are the levers we use to influence these points of governance through proxy voting.

On the following pages, we detail the considerations we apply to each of these points when deciding on our vote.

5.1 Elections to boards of directors

The BoD, which can have executive power in Switzerland, has important steering functions and bears a crucial responsibility for a company's commercial success. It has the following main duties:

- to supervise and monitor the executive board (i.e. checks and balances);
- to define the long-term strategy together with the executive board and to conduct periodic critical reviews of the implementation and achievement of that strategy, where applicable;
- to create a modern corporate governance structure.

Shareholders have an indisputable right to elect members to the BoD. We therefore pay special attention to the independence and composition of the board. We check for potentially questionable business ties, conflicts of interests, and any advisory mandates and shareholding interests when considering the formal and material independence of individual board members. Furthermore, we attach great importance to members not being bound by an excessive number of board mandates (overboarding).

In the developed markets, we follow best practices to avoid negative impacts from overboarding. For Switzerland, we apply a stricter definition of overboarding than the one recommended by *economiesuisse* (the Swiss business federation) due to the additional responsibilities of BoDs in Switzerland. We believe that board members face a demanding and complex workload and should have

the capacity upon election to devote the required time to their responsibilities during unexpectedly challenging periods. At the same time, the concept of overboarding is not yet well established in many emerging markets and therefore cannot be addressed in the same way there.

When examining the composition of BoDs, we consider characteristics of individual board members, such as seniority, tenure, and affiliation, as well as characteristics of the overall board, such as diversity, size, and independence. We believe that equality, diversity, and inclusion enable an organization to attract the best talents based on merit. We therefore expect this to be reflected on a company's BoD. In developed markets, we require our investee companies to have at least 25% of their respective BoDs comprised of members with an underrepresented gender identity. In Japan, however, we acknowledge the challenges regarding the local talent pool. Therefore, we require one board member with an underrepresented gender identity.

We take a critical stance toward dual mandates in which a chief executive officer (CEO) is also the chairperson of the board of directors (CoB). We are also critical of executive CoBs and of role switches from CEO to CoB. In the event of such a switch, we would expect, among other things, an independent lead director to be appointed. Our Active Ownership team meets regularly with company representatives, mainly CoBs or heads of compensation committees, to discuss our concerns from an investor's perspective.

In summary:

- BoD members
 - must be independent (formally and materially in order to count as an independent member, see the fourth point);
 - must not hold too many board mandates;
 - must not exceed a certain age;
 - must hold a certain number of shares in the company;
 - must meet equality, diversity, and inclusion considerations.
- The chairperson may not also be the CEO of the same company simultaneously (exception

- for North America due to regional difference in best practices, if additional requirements are met).
- Former CEOs may only become chairperson after a defined cooling-off period or if a lead independent director is in place.
- The majority of BoD members must be independent (regional exceptions apply), and the number of BoD members must not exceed a maximum limit.
- Anchor shareholders must be represented adequately.
- The majority of members of audit and remuneration committees must be independent. The chairperson of the BoD may not chair either of those committees.

Proxy voting guidelines

5.2 Management and executive committee

The executive committee's scope of responsibilities is defined narrowly or broadly, depending on the country. However, in every case, an executive board's core duties include the following:

- defining a long-term strategy together with the BoD;
- managing operations and providing the BoD with fair, transparent, and regular reporting;
- devising measures to achieve additional organic and inorganic growth (acquisitions).

Credit Suisse Asset Management's investment teams meet with company representatives, mainly CEOs and/or chief financial officers (CFOs), to discuss strategic positioning and operational performance. The Active Ownership team may join these discussions and may provide support on request.

5.3 Compensation (BoD and executive committee; ex ante and ex post)

In Switzerland, the Ordinance against Excessive Compensation significantly expanded shareholders' rights and powers at general meetings. Since the enactment of the ordinance, BoDs and executive boards are now required to have their compensation approved bindingly, either retrospectively or prospectively. A prospective, budget-based approval approach and a mixed approach (albeit only for executive boards) have gained general acceptance.

In Europe, the rights of shareholders were enhanced by the EU's second Shareholder Rights Directive, which aims to further expand shareholders' opportunities for engagement in and exertion of influence on publicly traded companies. In addition, it aims to facilitate cross-border transmission of information and the exercising of shareholder rights. Shareholders have the right to vote on remuneration reports and remuneration policies for members of companies' executive boards and BoDs at annual general meetings (AGMs).

For executive boards, we evaluate the base salary, short- and long-term compensation, and the split between cash and stock components. We expect stock compensation to be deferred under a three-year performance-measured cliff vesting schedule, and it should not be granted at too large a discount. Furthermore, we expect target-based incentives to be transparent and comprehensible. We are critical of variable compensation for BoDs, particularly since

short-term profit optimization does not necessarily produce sustainable earnings.

We expect executive board and BoD members to hold shares in their respective companies that have been purchased with private funds. For regular BoD and executive board members, shares equal to one annual base salary must be held after a build-up period. We require higher thresholds for the chairperson (1.5 times the annual base salary), the lead independent director (1.5 times the annual base salary), and the CEO (at least 2 times the annual base salary). These limits can vary based on regional best practices.

Dilution of existing shareholders' ownership interests is another important aspect for us. Dilution can be substantial, for example in the case of stock-based compensation programs, particularly if these are implemented through authorized or contingent capital increases under the exclusion of subscription rights for existing shareholders.

A consultative vote on the compensation report for the previous business year is part of modern corporate governance today. We expect a compensation report to show the extent to which executive and director remuneration practices are geared toward the company's long-term sustainable commercial development. Furthermore, we expect a summary discussion on target achievement. This helps us better understand how the compensation is determined. We are also critical of upfront sign-on bonuses.



In summary:

- For individual executive committee members, Credit Suisse Asset Management requires a sustainable compensation structure, including transparent disclosure of the short-term incentive plan (STIP) and long-term incentive plan (LTIP) system, the key performance indicators, the key targets, the peer group, the caps, and the vesting period.
- For BoD members, compensation must be disclosed for each member.
- For executive committee members, compensation must be disclosed at least on an aggregated basis, including full single disclosure for the highest-paid member.
- BoD remuneration is to be paid as a lump sum and not as performance-based compensation. A predefined number of shares is acceptable.
- For both bodies, a split into cash and deferred instruments is required, including a cliff vesting period of at least three years.
- BoD and executive committee members must hold at least a single year's base salary worth of shares.
- Budget votes may be accepted if the overall system meets our criteria and the potential increases are comprehensible and capped at certain predefined levels.
- Credit Suisse Asset Management encourages companies to provide a consultative compensation report.

To the extent that these materials contain statements about the future, such statements are forward looking and are subject to a number of risks and uncertainties and are not a guarantee of future results.

Proxy voting guidelines

5.4 Capital structure

The BoD has the responsibility to allocate capital in a prudent manner in order to develop the business, generate growth, and create value for shareholders and stakeholders. Our approach is as follows:

- Ordinary share capital increases are assessed on an individual basis.
- Authorized and/or conditional share capital increases must include a ceiling in order to limit dilution.

- Agenda items to implement an employee stock ownership plan are supported. Shares to fund those programs should preferably be bought on the open market.
- Alternatively, authorized share capital may be accepted if it does not exceed our threshold.
- Share buybacks are normally supported up to a low percentage of the issued capital. Buyback proposals should be followed by a cancellation of the shares in order to prevent reissuance without approval from shareholders.

5.5 Shareholder rights

We assess amendments to articles of association (AoA) and amendments to quorum requirements, as well as all other proposals, on a case-by-case basis.

Motions to institute a "one share, one vote" principle will be fully supported, and motions deviating from this principle will be rejected.

AoA amendments that would allow for virtual-only AGMs are increasingly being proposed. We do not accept any wording that would limit the rights of minority shareholders compared to a physical general meeting.

5.6 Shareholder proposals

Some markets have high requirements that shareholders must meet in order to be able to put resolution proposals on an AGM agenda. In other markets, the barriers are lower. In the US and to a lesser extent in Japan, we have particularly seen a large number of shareholder resolutions, including on climate change and corporate lobbying. In many European markets, there are normally high ownership requirements that must be met in order to have the right to propose items for an AGM. Over the last several years, we have seen an increasing number of shareholder proposals. We expect this trend to

continue. We assess the shareholder resolution proposals based on our ESG and Credit Suisse Asset Management proxy voting framework. Controversial cases will be decided by our Credit Suisse Asset Management proxy voting committee exclusively in line with our fiduciary duties. We will support resolutions that we consider to be in the interest of minority shareholders. We may opt not to support resolutions that could restrict management's capabilities and/or responsibilities or that are overly binding and thus create a potential impediment to finding an optimal solution.

5.7 Environmental and social matters

Environmental and social matters are topics increasingly found on the agendas of European and American AGMs and extraordinary general meetings. They are assessed on a case-by-case basis. Decisions on controversial cases will be made by our Credit Suisse Asset Management

proxy voting committee, which acts exclusively in line with our fiduciary duties. Resolutions that we view to be in the interest of minority shareholders will be supported, while we will vote against those that inhibit management's capacity to act and/or that prevent the implementation of optimal solutions.

6

Exercise of voting rights

Credit Suisse Asset Management works with an experienced service provider that we appoint as a proxy to exercise our voting rights at general shareholder meetings in Switzerland and Liechtenstein, the European Union and the United Kingdom, North America, developed markets of the Asia-Pacific region (Australia, New Zealand, Japan, Singapore, Hong Kong), and emerging markets (China, Taiwan, and South Africa).

As a matter of principle, we exercise our voting rights once a certain materiality threshold has been surpassed. Our determination of materiality takes into account both actively and passively managed collective investment vehicles.

The management companies of Credit Suisse investment funds exercise voting rights independently at all times and solely in investors' interests.



For further information about the Sustainable Investing Policy, please visit [credit-suisse.com/esg](https://www.credit-suisse.com/esg)

Source: Credit Suisse, unless otherwise specified.

Unless noted otherwise, all illustrations in this document were produced by Credit Suisse Group AG and/or its affiliates with the greatest of care and to the best of its knowledge and belief.

This material constitutes marketing material of Credit Suisse Group AG and/or its affiliates (hereafter "CS"). This material does not constitute or form part of an offer or invitation to issue or sell, or of a solicitation of an offer to subscribe or buy, any securities or other financial instruments, or enter into any other financial transaction, nor does it constitute an inducement or incitement to participate in any product, offering or investment. Nothing in this material constitutes investment research or investment advice and may not be relied upon. It is not tailored to your individual circumstances, or otherwise constitutes a personal recommendation. The information and views expressed herein are those of CS at the time of writing and are subject to change at any time without notice. They are derived from sources believed to be reliable. CS provides no guarantee with regard to the content and completeness of the information and where legally possible does not accept any liability for losses that might arise from making use of the information. If nothing is indicated to the contrary, all figures are unaudited. The information provided herein is for the exclusive use of the recipient. The information provided in this material may change after the date of this material without notice and CS has no obligation to update the information. This material may contain information that is licensed and/or protected under intellectual property rights of the licensors and property right holders. Nothing in this material shall be construed to impose any liability on the licensors or property right holders. Unauthorised copying of the information of the licensors or property right holders is strictly prohibited. This material may not be forwarded or distributed to any other person and may not be reproduced. Any forwarding, distribution or reproduction is unauthorized and may result in a violation of the U.S. Securities Act of 1933, as amended (the "Securities Act"). In addition, there may be conflicts of interest with regard to the investment. In connection with the provision of services, Credit Suisse AG and/or its affiliates may pay third parties or receive from third parties, as part of their fee or otherwise, a one-time or recurring fee (e.g., issuing commissions, placement commissions or trailer fees). Prospective investors should independently and carefully assess (with their tax, legal and financial advisers) the specific risks described in available materials, and applicable legal, regulatory, credit, tax and accounting consequences prior to making any investment decision.

For persons in Australia: This information has been prepared for general information purposes only. Nothing in this document constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to individual circumstances, or otherwise constitute a personal recommendation to any specific investor. Recipients of this document should not assume that any investment discussed will be profitable. There is no guarantee concerning the achievement of investment objectives or target returns or measurements. Any reference to past performance is not indicative of future results and is no guarantee to future results. This document has been prepared for and is provided only to permitted recipients in Australia who qualify as wholesale clients as that term is defined by section 761G(7) of the Australian Corporations Act 2001 (Cth.) (the "Act") and as sophisticated or professional investors as defined by sections 708(8) and (11) (respectively) of the Act, in respect of which an offer would not require disclosure under Chapter 6D or Part 7.9 of the Act. Interests subscribed for by investors in Australia must not be offered for resale in Australia for 12 months from issue except in circumstances where disclosure to investors under the Act would not be required or where a compliant product disclosure statement or prospectus is produced. It does not contain and should not be taken as containing any financial product advice or financial product recommendations. This document is not a prospectus, product disclosure statement or any other form of prescribed offering document under the Act. This document is not required to, and does not, contain all the information which would be required in either a prospectus, product disclosure statement or any other form of prescribed offering document under the Act, nor is it required to be submitted to the Australian Securities and Investments Commission. The funds referred to in these materials are not registered schemes as defined in the Act. In Australia, Credit Suisse Group entities, other than Credit Suisse AG, Sydney Branch, are not authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Cth.) and their obligations do not represent deposits or other liabilities of Credit Suisse AG, Sydney Branch. Credit Suisse AG, Sydney Branch does not guarantee or otherwise provide assurance in respect of the obligations of such Credit Suisse entities or the funds. An investor is exposed to investment risk including possible delays in repayment and loss of income and principal invested.

For persons in New Zealand: This information has been prepared for and is provided only to permitted recipients in New Zealand who qualify as a wholesale investor within the meaning of clause 3(2) of Schedule 1 of the New Zealand Financial Markets Conduct Act 2013 ("FMCA") or in other circumstances where there is no contravention of the FMCA.

For persons in China: No invitation to offer, or offer for, or sale of, any interest or investment will be made to the public in the People's Republic of China ("PRC") or by any means that would be deemed public offering of securities under the laws of the PRC. These materials may not be distributed to individuals resident in the PRC or entities registered in the PRC who have not obtained all the required PRC government approvals. It is the investor's responsibility to ensure that it has obtained all necessary PRC government approvals to purchase any interest, participate in any investment or receive any investment advisory or investment management services.

For persons in Hong Kong SAR (China): This document is intended for the recipient only and may be based on information not available to the public. If distributed in Hong Kong, this document can only be distributed to "professional investors" within the meaning of the Securities and Futures Ordinance and any rules made thereunder. As such, the recipient undertakes to use this document for his/her own purposes only and to refrain from distributing any copy of this document to any other person. The delivery of this document to you should not be construed in any way as soliciting investment or offering to sell any interests described in this document.

For persons in Malaysia: This document is provided on a confidential basis and made upon your request. This document does not constitute, and should not be construed as constituting, an offer or invitation to subscribe for or purchase any securities (as defined in the Capital Markets and Services Act 2007) in Malaysia or interests (as defined in the Companies Act 1965) to the public in Malaysia. The dispatch of this document does not make available any securities for subscription or purchase in Malaysia. This document has been issued outside of Malaysia and no issue, offer or invitation under this document has any effect in Malaysia.

For persons in Philippines: This document is provided upon your request and prepared for your informational purposes only. The products mentioned herein have not been registered with the Securities and Exchange Commission under the Securities Regulation Code. Any future offer or sale thereof is subject to registration requirements under the code unless such offer or sale qualifies as an exempt transaction. Further, this document is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

For persons in Singapore: This document is not a prospectus as defined in the Securities and Futures Act 2001 ("SFA") and has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply, and this document should not be construed in any way as a solicitation or an offer to buy or sell any interest or investment referred to in this document.

For persons in South Korea: This information is being provided to you for general discussion purposes only. The delivery of this information to you should not be construed in any way as soliciting investment or offering to sell any interests described in this document.

For persons in Taiwan: Neither the [name of the fund product] (the "Fund"), its offering memorandum, nor any other material relating to the same (the "Material"), has been approved by, or registered with the Financial Supervisory Commission of Taiwan or other competent authorities or self-regulatory organizations in Taiwan. The shares of the Fund may not be sold, offered, or issued to Taiwan resident investors unless, (i) they are made available outside Taiwan for purchase by such investors outside Taiwan; or (ii) they are being sold, offered, or issued to Taiwan resident investors in compliance with the applicable Taiwanese laws and regulations. The Material is provided upon your request. The purchaser cannot re-sell the shares of the Fund nor solicit any other investor or purchaser in Taiwan for this offering unless otherwise permitted by the applicable laws and regulations.

For persons in Thailand: This document is provided upon your request. This document has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase any product will be made in Thailand and this document is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

For persons in Indonesia: By receiving this presentation, you acknowledge that this presentation is provided upon your request and is confidential and intended for you only and you agree you will not forward, reproduce or publish this presentation to any other person. You are reminded that you have received this presentation on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not be authorized to deliver this document, electronically or otherwise, to any other person.

For persons in Japan: The information in relation to any interest and/ or investment has not been and will not be filed pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) (the "FIEL") and, accordingly, any interest and/or investment in them may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, "Japanese person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan. In Japan, this material is distributed by Credit Suisse Securities (Japan) Limited ("CSJL"), a registered Financial Instruments Firm (Director-General of Kanto Local Finance Bureau (Kinsho) No. 66). CSJL is a member of Japan Securities Dealers Association, Financial Futures Association of Japan, Japan Investment Advisers Association, Japan Insurance Brokers Association and Type II Financial Instruments Firms Association. Please note this investment strategy may be offered, provided or sold through other business divisions of Credit Suisse and third party financial instruments business operators, potentially in any product schemes other than stipulated in this document. Copyright © 2023 CREDIT SUISSE GROUP AG and/or its affiliates. All rights reserved.

Distributor: Credit Suisse Investment Services (Australia) Limited, Level 31 Gateway 1 Macquarie Place Sydney, NSW 2000 Australia
Distributor AM: Credit Suisse (Hong Kong) Limited, 6th Floor Alexandra House, 18 Chater Road, Central, Hong Kong
Distributor PB: Credit Suisse AG, Hong Kong Branch, Level 88 International Commerce Centre, 1 Austin Road West, Kowloon
Distributor AM: Credit Suisse (Singapore) Limited, 1 Raffles Link #03/#04-01 South Lobby Singapore, 039393 Singapore
Distributor PB: Credit Suisse AG, Singapore Branch, 1 Raffles Link #03-01 One Raffles Link Singapore, 039393 Singapore
Distributor: Credit Suisse Securities (Europe) Limited, Seoul Branch, Centropolis Tower A, 13th Fl., 26 Ujeongguk-ro, Jongno-gu, Seoul 06161 | Language version available: English
(Credit Suisse Securities (Japan)) Distributor: Credit Suisse Securities (Japan) Limited 24/F, Izumi Garden Tower 1-6-1 Roppongi, Minato-ku Tokyo, 106-6024