Deutsche Asset Management
Investment GmbH

Deutsche Asset Management Investment GmbH

Corporate Governance and Proxy Voting Policy

Content outline

Our Corporate Governance Understanding and Governance-specific Engagement Approach

We at Deutsche Asset Management Investment GmbH take our fiduciary duty to our client investors very seriously and act in the sole interest of our clients.

Our understanding of good Corporate Governance is an important source of higher relative shareholder returns on equity investments[1] in the long-term. This builds upon the expertise gained over more than 20 years of experience as responsible investor and is based on relevant national and international legal frameworks (e.g., German Corporate Governance Code, ICGN [International Corporate Governance Network] Global Corporate Governance Principles, G20/OECD Principles of Corporate Governance) as well as national and international best practices.

Furthermore, we vote in line with our conviction that responsible environmental and social practices ensure sustainable success of companies also by seeking to assess the compliance of companies with relevant international frameworks (the set of ten core values concerns human rights, labor standards, the environment and business ethics of UN Global Compact).

For us, a sound corporate governance centers on a clearly defined and stress resilient business model and a corresponding structure and we emphasize on a sensible balance of powers and an effective board structure with a committed management and supervisory board that is well diversified and composed of strong and independently acting, qualified directors, including a chairman that can challenge the management.

We support attempts to enhance the communication between the chairman and investors without violating the equal treatment of shareholders. We place high value on the 'one-share-one-vote' principle and will promote proposals and initiatives to abolish voting caps.

Another important element of good Corporate Governance is increased and better transparency on relevant issues; we demand companies to provide and publish important information in an internationally recognized manner also on material environmental, social and governance information issues.

A sound remuneration system should achieve the alignment of the interests of shareholders and management by incentivizing structures, i.e., by comprehensible executive remuneration systems with relevant parameters and decisive key performance indicators (KPIs).

The sound alignment of the interests of supervisory and management boards with those of shareholders through effective governance measures and sound structures should also preserve and enhance the company value and are crucial to build confidence among investors.

Furthermore, we believe that a regular active involvement of all relevant stakeholders by the management is necessary to take on additional perspectives. As responsible investors, we are always willing to share our expectations on Corporate Governance in an on-going and constructive dialogue with management and supervisory board via regular company visits and one-on-ones.

There are various ways in which we engage with our investee companies depending on the company itself, the sector and the issue in question. However, in cases where we identify gaps between our expectations regarding Corporate Governance and the company's attitude towards it, we will start a direct engagement process with the management board. We regard active engagement as an essential part of our Corporate Governance understanding.

In case our initial engagement remains unsatisfactory, we may take additional measures (e.g., letters to the board, publicly voiced criticism or shareholder proposals submitted for annual general meetings). The use of our voting rights and the possibility of divestment represent the measures to achieve the intended changes.

We participate directly and by proxy voting at general meetings; the following guidelines reflect our understanding of good governance in more detail with regard to qualified and competent management, effective control and monitoring mechanisms (with qualified independent non-executive directors or supervisory board members), the separation of CEO and Chairman roles, convincing risk and financial oversight mechanisms as well as full transparency and intensive disclosure.

[1] For our debt investments and related bondholder meetings, a dedicated and separate process is set-up and owned by the Fixed Income platform in order to avoid any potential for conflicts of interests.

We seek to build constructive long-term relationships with our investee companies as part of our stewardship responsibilities. Our on-going dialogue with the management of investee companies focuses also on Environmental, Social and Governance (ESG) topics as part of the regular discussion and we share our understanding of good Corporate Governance and its importance for our investment objectives. We conduct regular screenings of our holdings based on various ESG indicators to determine and cross-check the watchlist of our major holdings. Our Corporate Governance and Proxy Voting Policy also reflects on Environmental and Social topics in order to pursue sustainable company value and responsible investing.

As a thought leader and trend-setter in global governance matters, we also participate in global working groups and regularly attend relevant conferences.

The dedicated Corporate Governance Center of Deutsche Asset Management Investment GmbH's Chief Investment Office continuously evaluates and communicates our understanding of good governance with portfolio companies. Its staff is responsible for further developing the Corporate Governance understanding and framework as well as to promote the application across the investment platform via trainings and on a company specific level.

Proxy Voting

As responsible investor and fiduciary we are obliged also to exercise our clients' voting rights in their best interest. This is achieved by our dedicated uniform and transparent Proxy Voting Process that is approved by KPMG and centers on our detailed expectations and Proxy Voting Guidelines that are laid out in the following.

The primary responsibility for the conduct of company dialogues and the exercise of our Corporate Governance and Proxy Voting Policies lies with the staff of Deutsche Asset Management Investment GmbH's Chief Investment Office in Frankfurt, Germany. All relevant items on the agenda of shareholder meetings are examined individually and we decide on issues on a case by case base in the interest of our clients. We endeavor to vote across all markets where feasible and if the available voting infrastructure of each market so permits.

Reflecting our fiduciary duty to our client investors, the exercise of our voting rights is made fully independent from any views or interests of our principal shareholder Deutsche Bank AG. For agenda items not covered in the Proxy Voting Guidelines, voting decisions of particular significance for a company (e. g., substantial transactions like mergers and acquisitions) and cases where the responsible portfolio manager or analyst proposes a recommendation different from our standard Proxy Voting Guidelines, our Proxy Voting Group is the ultimate decision-making body. This group is composed of senior managers from all relevant areas to ensure an effective, timely, and consistent voting process.

If we hold a significant position and decide to vote against a management proposal, we may inform the company in advance. We will then vote our shares in person or entrust a proxy voting agent with a clear mandate. The vote will be published in the appropriate form after the shareholders' meeting. Unless specified otherwise, we shall apply the Proxy Voting Guidelines laid out in this document.

1. Board-related agenda items

Board structures differ depending on the jurisdiction that companies operate in. The most prevalent ones are the unitary board structure composed of both executive and non-executive directors, and the two-tier board structure comprising an executive management board as well as a non-executive supervisory board.

The non-executive members of the boards should be sufficiently and objectively independent; i.e. they should be able to exercise their judgment independently and free from external influence. The board (respectively supervisory board) should include a sufficient number of independent non-executive directors. Non-executive directors are considered independent if they have no commercial or personal ties to the company and its management constituting a conflict of interest. Factors that deny or can at least compromise the independence of non-executive directors include:

— Employment by the company within the last 5 years;
— Receipt of substantial payments from the company within the last 5 years that are unrelated to his/her board activities (subject to availability of information);
— Ownership or representation of a cumulative 10% or more of the equity capital or voting rights (i.e., controlling stockholder). This may be aggregated if voting power is distributed among more than one member of a defined group (e.g., family members who collectively own more than 10%);
— Board membership for more than 10 years (i.e., from year 11 onwards);
— Representation of a government, ministry, state, municipality or city that holds 10% or more of the equity capital or voting rights;
— Representation of a significant business partner.

In its definition of board independence, Deutsche Asset Management Investment GmbH will also relate to the best practice rules for corporate governance in a respective country. If no such practices are defined, or in case that the respective practices fall short of the standards set by the ICGN, Deutsche Asset Management Investment GmbH shall refer to the definition provided by ICGN as the minimum standard: "Every company should make substantive disclosures as to its definition of independence and its determination as to whether each member of its board is independent".[2]

1.1. Appointment or Reappointment of Directors

We will generally vote AGAINST, if one of the following applies:

1.1.1. The candidate is not sufficiently qualified or unsuitable for the position.

1.1.2. No comprehensive disclosure on the qualification and suitability of the candidate has been provided in a timely manner.

1.1.3. The election of a candidate leads to an insufficient qualification structure of the board.

1.1.4. Director elections are carried out on a block basis and the qualification or suitability of at least one of the candidates is called into question, except where it is market practice to vote on a block basis.

1.1.5. The discharge is called into question, if:
- There are clear concerns over questionable finances or restatements of accounting figures.
- There have been questionable transactions with conflicts of interest.
- There have been abuses against minority shareholder interests.

1.1.6. The director election includes a proposal that would lengthen the term of office for directors (any increase without convincing rationale will result in a vote against). We are generally supportive of staggered boards as the perpetual renewal of an appropriate proportion of the board members secures an active succession planning.

1.1.7. The election of a candidate in a company with a unitary board structure results in (or continues) the dual role of CEO (Chief Executive Officer) and Chairman of the board. This policy also applies in cases where the Chairman/CEO is included in an election by slate. In exceptional circumstances, the vote recommendation can be evaluated on a CASE-BY-CASE basis when:
- The company provides assurance that the chairman/CEO will only serve in the combined role on an interim basis (i.e. max. 2 years), with the intent of separating the roles within a reasonable time frame.
- A favourable vote recommendation for a combined Chairman/CEO to serve on an interim basis can be considered, if the company provides adequate control mechanisms on the board (e.g., high overall level of board independence, high level of independence in the board's key committees, highly respected lead independent director).

[2] http://www.icgn.org/best-practice.php

- The board Chairman will not receive a level of compensation substantially higher than the company's executives nor assume executive functions.
- A shareholder proposal has been submitted at the annual general meeting in favour of the appointment of a nominated chair upon single election supported by a qualified majority.

1.1.8. An executive board member (incl. the CEO) is proposed to be elected as supervisory board member without a reasonable cooling-off period following the respective national best-practices or – in case where there is no national best-practice – of at least two years. A former CEO or executive board member is nominated for the position of chairman of the supervisory board. In markets such as Germany, where the general meeting only elects the supervisory board members, who in turn elect the chairman of the new supervisory board, Deutsche Asset Management Investment GmbH will generally recommend a vote AGAINST the election, unless the company has publicly confirmed prior to the general meeting that she/he will not become chairman of the board. The vote recommendation can be evaluated on a CASE-BY-CASE basis if, e. g., the former CEO or CFO is proposed to be elected as the supervisory board's chairman for the first time after a reasonable cooling-off period, which corresponds with the respective national best-practices for corporate governance or a shareholder proposal has been submitted at the annual general meeting in favour of the appointment with a qualified majority.

1.1.9. If the board does not have a nomination, remuneration, or audit committee, although national best-practices for corporate governance stipulate, we would vote AGAINST the Chairman of the board and the non-executive members.

1.1.10. If the independent directors do not constitute the majority in the key committees (remuneration, audit and/or risk, nomination, presiding), the vote recommendation is an ABSTAIN on the chairman of the board, however if the chairman of the board is not up for election then an abstention on non-independent directors serving on the key committee will be considered.

Executive Directors:
AGAINST, if one of the following applies:

1.1.11. Serious and permanent conflicts of interest exist.

1.1.12. The election of a candidate causes this candidate to hold more than three board seats in total (incl. the nominated position). This includes the executive position with the roles of CEO and chairman counting double. Internal board seats count as one as long as they are clearly highlighted.

1.1.13. The CEO of a company cannot be Chairman of the Board at another company.

Non-Executive Directors:
AGAINST, if one of the following applies:

1.1.14. The candidate has potential conflicts of interest that have not been sufficiently disclosed by the company.

1.1.15. The election of a candidate causes the board to become insufficiently independent, diverse or balanced with regard to the main activities of the company and according to the respective country's best practice rules on corporate governance. Employee representatives are excluded from the independence calculation.

1.1.16. The election of a candidate results in a direct (up to two years) transition from executive to non-executive directorship: In especially warranted cases, executive directors with a long and proven track record can become non-executive directors, but not chairman of the board, if this change is in line with the national best practice for corporate governance.

1.1.17. A former executive director is nominated for a membership on the supervisory board when two or more former executive directors already serve on the same.

1.1.18. The candidate is a member of the audit, remuneration or nomination committee, and the respective committee has made important decisions that contradict the best practice rules for corporate governance or interests of shareholders.

1.1.19. Nomination rights or special rights are exercised for the election proposal resulting in a disproportionate board representation of substantial shareholder-, government-, or founding family representatives.

1.1.20. The election of a candidate causes this candidate to hold more than five board seats or other comparable seats (incl. the nominated position). The role of a Chairman and of an audit committee Chairman is counted double. A CASE-BY-CASE evaluation applies, if a non-executive board member also holds supervisory board appointments of a quoted subsidiary.

1.1.21. Attendance at board meetings is not disclosed on an individual basis in the annual report or on the company's website nor is the reported overall attendance above 90% and no individual presence is below 66%.

1.1.22. The candidate has attended fewer than 75% of the board and audit/risk committee meetings in a given year without a satisfactory explanation for his/her absence.

The company violates a "comply or explain"-principle by not disclosing deviations from recommendations of a country's Governance Code.

1.2. Discharge of Directors

AGAINST, in the case of:

1.2.1. Pending action against a director e.g.,
- appeal against financial statements,
- insider trading,
- bribery,
- fraud,
- and other illegal actions.

1.2.2. Criminal conviction or civil action against a director.

1.2.3. Doubts on the accuracy of the company's disclosure of material information.

1.2.4. Well-founded shareholder proposals for the dismissal of a director.

1.2.5. Any records of abuses against minority shareholders' interests.

1.2.6. We vote on a CASE-BY-CASE basis when the company reported significant and repeated failure to meet important Responsible Investment (RI) or Environmental Social and Governance (ESG) standards (for industrials: the CDP, for financial industry: UN PRI), in particular the UN Global Compact Principles and OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinationals.

1.2.7. The discharge of directors is carried out on a block basis and the discharge of at least one of the directors is called into question.

Executive Directors:

AGAINST, in the case of:

1.2.8. Serious deficiencies in the management of the company:
- Deficient risk control and internal auditing procedures.
- Due-diligence violations or willful misconduct.

1.2.9. Sustained poor performance relative to industry peers respectively competitors:
- Negative company results for three consecutive years, where exceptions for early stage (up to five years) companies will be considered.
- Significant misjudgement in large scale investments.
- Repeated failure to achieve stated company targets, also in comparison to peer group.

1.2.10. Executive management refuses to implement a shareholder proposal that has been approved in a preceding general meeting.

Non-Executive Directors:

AGAINST, in the case of:

1.2.11. Clear deficiencies in the monitoring of the company through neglect of the obligatory supervisory duties of management.

1.2.12. Concerns that the board has not acted in the best interest of shareholders.

1.2.13. Attendance at board meetings is not disclosed on an individual basis or is below 90% overall and individual attendance is below 66% according to the annual report or on the company's website.

1.2.14. No information is made available in the annual report or on the company's website that there is a board member responsible for ESG matters.

1.2.15. Executive as well as non-executive remuneration is not disclosed on an individual basis, i.e. by name.

1.2.16. No reasonable age limits are set and disclosed in the annual report or the company's website for executive and non-executive directors.

1.2.17. The curriculum vitae of each executive and non-executive director is not permanently published on the company's website and does not state the year the individual was first appointed, information about the qualification, the year of birth and all mandates including information whether for a listed company or an internal mandate.

1.2.18. The Articles of Association are not available on the company's website.

1.2.19. Additional board mandates acquired during the term that then result in a total number of mandates exceeding five.

1.2.20. The company violates a "comply or explain"-principle by not disclosing or explaining deviations from recommendations of a country's Governance Code.

1.2.21. We generally expect the boards to annually review their performance internally and also to externally assess their efficiency on a regular basis (i.e. every three years). We furthermore expect a transparent and appropriate reporting in the corporate governance section of the annual report.

1.3. Board Remuneration

Generally AGAINST, if:

1.3.1. The remuneration system is not geared to the sustainable long-term success of the company, incentivizes disproportionate and unreasonable risk taking is substantially out of line with a relevant peer group, resulting in an insufficient and/or inadequate alignment with the interests of shareholders.

1.3.2. The system of performance measurement and remuneration is not transparent, comprehensible and does not demonstrate how strategic objectives are factored in.

1.3.3. The remuneration system is changed without an appropriate and notable improvement of its success-related components.

1.3.4. The structure of the compensation scheme does not comply with internationally recognized best practice.

1.3.5. The information provided to shareholders on the ratification of compensation schemes or compensation reports is neither sufficient nor comprehensible enough to allow shareholders to easily assess and evaluate the principles, structure and various components of the compensation scheme.

1.3.6. The proposals bundle compensation for both non-executive and executive directors into a single resolution.

1.3.7. Variable compensation is substantially linked to dividend payments.

1.3.8. Variable compensation is not geared to medium- and long-term success criteria and a relevant sector comparison over an appropriate medium timescale (i. e. three years).

1.3.9. The company violates a "comply or explain"-principle by not disclosing deviations from recommendations of a country's Governance Code.

Executive Directors:

Generally AGAINST if:

1.3.10. Remuneration paid to management is not in line with performance, disproportionate, or incommensurate in relation to that of comparable businesses.

1.3.11. No convincing bonus malus system is in place that entitles the company to withhold or reduce the payment of variable compensation or the system does not affect the respective board members for at least three years after their retirement.

1.3.12. No system is in place that entitles the company to recover any sums already paid (i. e. claw-back-system). Deviations are possible wherever the company provides a reasonable explanation why a claw-back was not implemented.

1.3.13. The individual remuneration components are not disclosed in detail and by name (salary, short and long term bonuses, options and pension programs, other benefits including hiring bonuses or severance payments as well as payments from allied companies).

1.3.14. The key performance indicators that influence and are used to calculate short term and long term variable compensation are not disclosed.

1.3.15. Key performance indicators or parameters that influence variable compensation are retrospectively adjusted (back dating).

1.3.16. The remuneration system allows the use of adjusted operating performance measures.

1.3.17. Allotments and exercise terms of stock option plans or similar incentives are not disclosed.

1.3.18. The performance criteria for reaching the exercise target of stock options plans are strongly tied to the development of the share price.

1.3.19. The first exercise date for option programs is earlier than three years.

1.3.20. Stock option plans result in an equity dilution of more than 10% of the actually issued share capital.

1.3.21. Executive directors do not hold a direct equity stake in the company (on a CASE-BY-CASE basis).

Non-Executive Directors:

Generally AGAINST if:

1.3.22. Remuneration is inadequate or disproportionate in relation to that of a relevant peer group.

1.3.23. Remuneration is not comprehensively disclosed with its constituent components.

1.3.24. The variable compensation component accounts for substantially more than 50% of total remuneration.

1.3.25. Members of the audit and the risk committees receive any performance related compensation.

1.3.26. The remuneration committee has substantial competences for setting or altering the compensation schemes without approval of the general meeting.

2. Audit-related agenda items

2.1. Ratification of audit reports

AGAINST, if one of the following applies:

2.1.1. The company faces serious legal action (regarding the correctness of the accounts or other illegal activities).

2.1.2. The information provided to shareholders is insufficient according to generally accepted accounting principles and international best practice for corporate governance, e. g.:
- There are material doubts concerning the quality, credibility and completeness of the available information.
- The company does not respond appropriately to legitimate claims for additional information on the accounts.

2.1.3. There are substantial concerns about key audit procedures.

2.2. Appointment and remuneration of the auditor

AGAINST, if one of the following applies:

2.2.1. There are material doubts concerning the accuracy of the audit report (e. g., lawsuits or investigations).

2.2.2. There are serious concerns about the procedures applied by the auditor.

2.2.3. The audit report admits serious mistakes, yet the same auditor is nominated for reappointment at annual general meetings.

2.2.4. The name of the auditor is not made public.

2.2.5. The disclosure of various advisory services which have also been performed by the auditor is insufficient for judging the auditor's independence.

2.2.6. External auditors have previously served the company in an executive capacity or can otherwise be considered affiliated with the company.

2.2.7. The services performed by the auditing firm or the lead auditor have recently been questioned to a serious extent in comparable mandates.

2.2.8. The auditing fees have not been published separately; especially advisory fees and other non-audit fees.

2.2.9. The fees for non-audit services exceed reasonable standards for annual audit-related fees and the company does not provide a satisfactory reason for this case. This rule does generally not apply for services related to initial public offerings and mergers & acquisitions. Furthermore, it only applies to companies listed on any main country index and/or the MSCI EAFE (Europe Australasia and Far East) index.

2.2.10. The company does not publish the name of its lead auditor and the duration for which she/he has been previously appointed.

2.2.11. The same lead auditor has been appointed for more than five years.

2.2.12. The auditors are unexpectedly being changed without detailed explanation.

3. Share capital and business-related agenda items

3.1. The use of net profits

AGAINST, if one of the following applies:

3.1.1. The pay-out ratio has been below 20% of the distributable profits for two consecutive years despite a limited availability of profitable growth opportunities, and management has not given/ provided adequate reasons for this decision.

3.1.2. The pay-out ratio exceeds 100% of the distributable profits without appropriate reason (the company pays a dividend which impacts its book value).

3.2. Equity issuances

Comprised in this definition are the issuance of common stock with or without subscription rights and the issuance of convertible securities or securities with warrants.

AGAINST, if one of the following applies:

3.2.1. The company issues stock with multiple voting rights or other control enhancing rights.

3.2.2. The company issues preferred shares without voting rights and
- a) The need for additional share capital to carry out the company's business has not been concluded by the non-executive board;
- b) No clear statement on the anticipated use of the capital and how this promotes the interests of existing shareholders has been published;
- c) Preferred shareholders do not receive a meaningfully higher dividend rate.

3.2.3. Requests for the issuance of preferred shares are assessed on a CASE-BY-CASE basis, in light of a company's history of capital increases as well as its corporate governance profile.

3.2.4. The cumulative equity issuances without subscription rights (historical and across instruments) exceed the maximum level specified in a respective country's best-practices for corporate governance or 30% of the company's nominal capital. For Germany, vote against equity issuances without subscription rights with:
- a) Cash contribution (at or near market) that exceed 10%; and
- b) Contributions in kind that exceed 20% of outstanding share capital.

3.2.5. The combined equity issuance of all equity instruments with subscription rights exceeds 50% of the outstanding share capital or the prevailing maximum threshold as stipulated by best practice rules for corporate governance in the respective country. Exceeding either of the two thresholds will be judged on a CASE-BY-CASE basis[3], provided that the subscription rights are actively tradable in the market.

3.2.6. The equity issuance has the purpose of defending against takeover threats (e.g., poison pills).

3.3. Share repurchases

AGAINST, if one of the following applies:

3.3.1. The share repurchase does not ensure equal treatment of all shareholders.

3.3.2. The company is in financial distress and the repurchase program is not adequately reasoned.

3.3.3. The share repurchase has the purpose of defending against a takeover threat.

3.3.4. On a CASE-BY-CASE basis, if the maximum offer premium exceeds of 10%.

3.3.5. On a CASE-BY-CASE basis, if the share repurchase program exceeds 10% of the daily trading volume.

[3] In case the company finds itself in financial distress and adequately reasons an equity issuance program of this size.

4. Statutes & legal structure agenda items of the company

AGAINST proposed amendments of the articles if one of the following applies:

4.1. The amendment negatively impacts the rights and interests of shareholders.

4.2. The company has not provided sufficient information in order to assess the consequences of changes in the corporate bylaws with respect to the rights of shareholders.

4.3. The amendment is not in line with the long-term sustainable development of the company, or endangers the continuity of the business.

4.4. Multiple voting rights are established.

4.5. Package/block voting (i.e., bundled resolutions) is introduced.

4.6. The amendment would lengthen the term of office for non-executive directors to over 3 years, or is not in line with best practice or laws of in the relevant country.

5. Market for Control

5.1. Anti-takeover mechanisms

AGAINST, if one of the following applies:

5.1.1. The anti-takeover proposal does not require shareholder approval.

5.1.2. The proposal strengthens the takeover defenses of the company. An exception can be considered, if the company issues a convincing explanation why the proposed measure is necessary for the continuity of the business and in line with the sustainable development of the company.

5.1.3. Gives the government or other bodies a direct or an implicit "golden share" in the company.

5.2. Mergers & Acquisitions

AGAINST, if one of the following applies:

5.2.1. The company is an acquisition target and an appropriate take-over premium is not offered.

5.2.2. The annual general meeting has not been provided with sufficient information on the transaction.

5.2.3. The fairness opinion has neither been issued by an independent source, nor has it been presented to the annual general meeting and/or contains major concerns.

5.2.4. The company targets another business for a merger or acquisition, and there are significant concerns surrounding the deal (e.g. strategy, synergies, reasoning, reputation, valuation, governance). Deutsche Asset Management Investment GmbH will evaluate any proposal on a CASE-BY-CASE basis.

5.2.5. Conflicts of interest exist: Incumbents with access to non-public information disproportionately or inappropriately benefit from the transaction compared to shareholders who have no access to such information. On a CASE-BY-CASE basis Deutsche Asset Management Investment GmbH will consider whether any special interests have influenced directors and officers to support or recommend the merger or acquisition.

5.2.6. The prevailing legislation and rules at the place of business or corporate governance of the newly combined entity significantly diminish the rights of shareholders.

5.2.7. On a CASE-BY-CASE basis, if a company engages in an acquisition and its management does not have a favourable track record of successfully integrating acquisitions.

6. Related-Party Transactions

6.1. In evaluating resolutions that seek shareholder approval of related party transactions (RPTs), Deutsche Asset Management Investment GmbH votes on a CASE-BY-CASE basis, where we consider factors including, but not limited to, the following:

6.1.1. The parties on both sides of the transaction.

6.1.2. The stated rationale for the transaction, including discussions of timing.

6.1.3. The size and the nature of the asset to be transferred or services to be provided.

6.1.4. The pricing of the transaction (and any associated professional valuation).

6.1.5. The views of independent directors.

6.1.6. The views of an independent financial adviser.

6.1.7. Whether any entities party to the transaction (including advisers) are conflicted.

6.2. If a transaction is deemed problematic but has not been put to a shareholder vote, Deutsche Asset Management Investment GmbH may vote AGAINST the election of the director involved in the related-party transaction or the entire board. We emphasize and prompt increased transparency in the RPTs disclosure as well as the disclosure of the board's dealing with potential conflicts of interests.

7. Proposals by shareholders & voting mechanisms

7.1. Shareholder Proposals

7.1.1. Deutsche Asset Management Investment GmbH is generally supportive of shareholder proposals that enhance shareholder rights, foster reporting and increase transparency.

7.1.2. We evaluate them on a CASE-BY-CASE basis and vote AGAINST, if one of the following applies:

7.1.3. The proposal undermines the company's corporate governance or business profile.

7.1.4. The proposal limits the company's business activities or capabilities,

7.1.5. The proposal generates significant costs with little or no benefit.

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