Deutsche Bank

Compensation system for the members of the Management Board as of January 2021

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1. Compensation system for the Management Board as of 2021

The system for the compensation of the Management Board members of Deutsche Bank Aktiengesellschaft (hereinafter also referred to as “Deutsche Bank” or the “Bank”), which has applied since the General Meeting 2017 and was recently adjusted in January 2021, is to be submitted to the General Meeting for approval in accordance with § 120a (1) Stock Corporation Act (AktG). The compensation system takes into account the regulatory requirements of the Stock Corporation Act (AktG) as well as the Remuneration Ordinance for Institutions (InstitutsVergV) of December 16, 2013 (Bundesgesetzblatt (BGBl.) I, p. 4270), last amended by Article 1 of the Ordinance of April 15, 2019 (Bundesgesetzblatt (BGBl.) I, p. 486) on the Amendment to the InstitutsVergV of July 25, 2017 (Bundesgesetzblatt (BGBl.) I, p. 3042), as well as the principles and recommendations of the German Corporate Governance Code (GCGC) in the version of December 16, 2019. As announced by the Chairman of the Supervisory Board in the Annual Report 2020, the compensation system was comprehensively reviewed and further developed during the past financial year. The Compensation Control Committee developed a recommendation for the adjustment of the compensation system, which was submitted to the Supervisory Board and approved by it on February 3, 2021. The adjusted compensation system applies to all incumbent Management Board members with effect from January 1, 2021, as well as in the case of new appointments or reappointments to the Management Board.

The Supervisory Board proposes that the system of compensation for the Management Board members described in the invitation to this General Meeting be approved.

1.1 Compensation principles

The compensation system and thus the assessment of individual compensation are based on the compensation principles outlined below. The Supervisory Board takes them into consideration when adopting its resolutions on the compensation system and assessing individual compensation.

Corporate strategy	Deutsche Bank aims to make a positive contribution to its clients, employees, investors and society in general by fostering economic growth and social progress. Deutsche Bank would like to offer clients solutions and provide an active contribution to foster their creation of value. This approach is also intended to ensure that the Bank is competitive and profitable and can operate on the basis of a strong capital and liquidity position. Deutsche Bank is committed to a corporate culture that appropriately aligns risks and revenues. Through the structure of the compensation system, the members of the Management Board are to be motivated to achieve the targets and objectives linked to the Bank’s strategy, to work continually towards the long-term positive development of the company and thereby to avoid disproportionately high risks. The compensation system for the Management Board members makes an important contribution to promoting and implementing the corporate strategy, in particular in that pay is linked to relevant and demanding performance criteria for short-term and long-term variable compensation. Success and performance-based compensation therefore comprises the predominant portion of total compensation. The Supervisory Board thus ensures there is always a strong link between compensation and performance (“pay for performance”).
Shareholder’s interests	When designing the specific structure of the compensation system, determining individual compensation amounts and structuring the means of compensation allocation and delivery, the focus is on a close alignment of the interests of the Management Board members and shareholders. This link is established within the framework of the assessment of the Long-Term Award, as Deutsche Bank’s shareholder return is assessed in comparison to those of a selected group of peers.

	Furthermore, all Management Board members have an obligation to hold a significant amount of Deutsche Bank shares (Shareholding Guidelines). In addition, the Long-Term Award (60% of the reference variable compensation) is granted exclusively in the form of share-based compensation components. The Supervisory Board has the possibility to grant the Short-Term Awards (40% of reference variable compensation) to individual Management Board members entirely as share-based equity awards until they fulfill their shareholding obligation requirements.
Individual and collective objectives	The compensation structures foster not only the sustainable and long-term development of each of the business divisions, infrastructure areas or regions the Management Board members are responsible for, but also the performance of the Management Board as a collective management body. Variable, performance-based compensation is determined on the basis of pre-defined objectives, while ensuring an appropriate balance between financial and non-financial targets. Exceptional performances are appropriately rewarded, and missed targets lead to a tangible reduction of variable compensation, including up to a full forfeiture. Individual and divisional performance is assessed on the basis of one-year objectives (Short-Term-Award). The collective performance of the entire Management Board is evaluated over a three-year assessment period by the Supervisory Board on the basis of long-term objectives that are the same for all Management Board members (Long-Term Award).
Long term	Variable compensation is only granted on a deferred basis. The Long-Term Award, which accounts for a uniform 60% of the reference variable compensation and has a three-year assessment period, is granted only in the form of share-based compensation components that vest with a deferral period of up to five years. After vesting, the individual tranches are still subject to an additional holding period of one year each. The Long-Term Award only becomes fully available for delivery over a period of three to six years following its assessment. The Short-Term Award, which accounts for a uniform 40% of the reference variable compensation, is granted primarily in cash and 25% of it becomes due for payment every two years (in each case proportionally in year 1, 3, 5 and 7 after being assessed). Thus, the Short-Term Award is not fully paid out until seven years after being assessed. During deferral and holding periods, deferred compensation is subject to certain performance and forfeiture conditions that can lead to – upon the occurrence of certain events – a partial or full forfeiture of the awarded variable compensation. The total variable compensation may be reclaimed even after disbursal in response to specific individual negative contributions to results made by the Management Board member for up to two years after the expiry of the last deferral period (clawback).
Sustainability	Economic, social and ecological issues are closely connected. Deutsche Bank wants to be a role model for sustainability in the financial sector and thus contribute to fostering a more environmentally, socially and financially well-governed economy. By acting responsibly also in the context of sustainability, the Bank is also making an important contribution to the company's performance. The compensation system is therefore closely linked to Deutsche Bank's Environmental, Social and Governance (ESG) sustainability strategy. The corresponding ESG Factor, which accounts for 20% of the reference variable compensation, comprises not only governance objectives but also environmental and social aspects. In addition, ESG objectives are implemented in the individual Balanced Scorecards, which account for 10% of the reference variable compensation.
Compensation caps	Pursuant to the regulations of the Capital Requirements Directive (CRD) 4, which banks are subject to, the ratio of fixed to variable compensation is generally limited to 1:1 (cap regulation). In other words, the amount of variable compensation must not exceed that of fixed compensation.

	However, lawmakers have also stipulated that shareholders may resolve to set the ratio of fixed to variable compensation to 1:2. In May 2014, the General Meeting voted to approve setting a 1:2 ratio by a majority of 91%. The compensation system resolved by the Supervisory Board also provides a uniform fixed cap of 150% of the target figures for the two variable compensation components. The Supervisory Board also set a maximum compensation in accordance with the requirements of § 87a (1) No. 1 Stock Corporation Act (AktG). This comprises all compensation components (base salary, Short-Term Award, Long-Term Award, company pension plan and fringe benefits) and amounts to €12 million uniformly for all Management Board members. The level of maximum compensation makes it possible to recruit the best national and international personnel for management and to pay them adequately, while also taking into account the Bank's broad and international business model.
Transparency	Through the uniform structure, the Supervisory Board has significantly increased the transparency and understandability of the compensation system in accordance with the expectations of investors and the public as well as the regulatory requirements. The specific application of the compensation system is clearly and understandably described each year in the Compensation Report. Shareholders and other stakeholders can see based on the underlying performance criteria how the compensation system for the Management Board members contributes to fostering the implementation of the strategy and the long-term sustainable development of the company as well as what the actual compensation is for the financial year.
Appropriateness	The amounts of the base salary and variable compensation are appropriate in light of both a vertical and a horizontal comparison. The horizontal comparison is performed on the basis of the relevant peer groups; their composition is disclosed. The vertical comparison entails an examination of the relationship between Management Board compensation and the compensation of the workforce in general and over time in particular. Furthermore, within the framework of a review pursuant to § 7 Remuneration Ordinance for Institutions (InstitutsVergV), the affordability of the total amount of annual variable compensation is determined based on key profitability, solvency and liquidity figures.
Governance	The structuring of the compensation system and the resulting assessment to determine the individual compensation takes place within the framework of the statutory and regulatory requirements. In particular, the Supervisory Board's objective is to offer, within the boundaries of applicable regulatory requirements, the Management Board members a compensation package that is commensurate with the scope of the Management Board member's responsibilities and is competitive and in line with customary market practices. This is to ensure that the best managers can be gained and retained.

These compensation principles were decisive for the Supervisory Board in reviewing the previous compensation system, identifying the need for adjustments and carrying out the adjustments. The Supervisory Board also took into account how the individual elements of compensation have proven themselves in practice.

Implementation of the compensation system takes place within the framework of the Management Board service contracts.

1.2 Procedure to determine the amount of Management Board compensation and the review of appropriateness

The Supervisory Board as a whole is responsible for decisions regarding the design of the compensation system and the structure and amount of compensation. The Compensation Control Committee supports the Supervisory Board in its tasks of designing and monitoring the implementation of the system and prepares the resolutions for the Supervisory Board. As necessary, the Compensation Control Committee recommends adjustments for the Supervisory Board to make to the system.

In the case of significant changes, but at least every four years, the compensation system is submitted to the General Meeting for approval.

1.2.1 Review of appropriateness

As part of this task, the Supervisory Board regularly reviews the appropriateness of the individual compensation components as well as the amount of total compensation.

Through the horizontal comparison, the Supervisory Board ensures that the total target compensation is appropriate in relation to the tasks and achievements of the Management Board as well as the company's situation. In this context, the level and structure of compensation, in particular, are examined at comparable companies (peer groups). Suitable companies in consideration of Deutsche Bank's market position (in particular with regard to business sector, size and country) are used as the basis for this comparison. The companies selected for the respective peer groups are disclosed in the Compensation Report.

In addition to the horizontal comparison, the Supervisory Board considers a vertical comparison, which entails an examination of the relationship between the compensation of the Management Board and the compensation of the workforce. Within the vertical comparison, the Supervisory Board considers, in accordance with the German Corporate Governance Code (GCGC), the development over time in particular. This involves a comparison of the ratio of Management Board compensation to the compensation amounts of the employees. Taken into account are, on the one hand, the compensation of the senior management, which comprises the first management level below the Management Board and voting members of the top executive committees of the divisions, as well as management board members of significant institutions within the Group and corresponding management board-1 level positions with management responsibility. On the other hand, the compensation of all employees is also taken into account (tariff and non-tariff employees).

The Supervisory Board regularly engages independent external compensation advisors for conducting the reviews of appropriateness, while taking care to ensure their independence from the Management Board and the company. The Supervisory Board takes the results of the review into consideration when setting the reference total compensation of the Management Board members.

1.2.2 Workforce compensation and employment conditions taken into account

When determining the compensation structures for the Management Board, the Supervisory Board takes into account the compensation structures for the employees. The aspects examined are base salary, reference variable compensation, the relationship between base salary and reference variable compensation as well as other employment conditions. This examination also means that employment conditions and compensation components that apply to the workforce are also taken over into the Management Board compensation system if the special position of the Management Board does not require its own instruments. This applies to the Group Component, which is identically defined for the Management Board and employees, as well as the company pension plan in the form of a defined-contribution capital account plan. Besides the current ratios, the Supervisory Board also examines the development of the ratios over time.

1.2.3 Measures to avoid and handle conflicts of interest

Members of the Supervisory Board have an obligation to act exclusively in the best interests of the company and must not pursue any personal interests within the framework of their Supervisory Board work or use business opportunities of Deutsche Bank Aktiengesellschaft or Deutsche Bank Group for themselves. Insofar as possible, they should avoid activities that could lead to potential conflicts of interest. Every Supervisory Board member is to disclose circumstances that could lead to a potential conflict of interest without undue delay to the Chairperson of the Supervisory Board, who then informs the other members of the Supervisory Board accordingly. If the Chairperson of the Supervisory Board has a potential conflict of interest, the disclosure is to the Deputy Chairperson of the Supervisory Board, who informs the other members of the Supervisory Board accordingly. A Supervisory Board member with a conflict of interest must, in the individual case while observing the statutory requirements, refrain from participating in the Supervisory Board's decisions in this context. Important and not just temporary conflicts of interest should lead to the termination of the Supervisory Board mandate.

2. Further development of the compensation system with effect from 2021

With effect from the 2021 financial year, the Supervisory Board resolved amendments to the compensation system applicable since 2017. At the same time, adjustments were made in accordance with new regulatory requirements. These changes were also made to fulfill the amended requirements of the Remuneration Ordinance for Institutions (InstitutsVergV) and the German Corporate Governance Code (GCGC).

Within the framework of the review of the system against the backdrop of the current market practices, three courses of action were identified, which subsequently led to corresponding adjustments:

2.1 Increased portion of share-based variable compensation by up 100% until the shareholding requirement is met (Shareholding Guidelines)

The portion of share-based variable compensation can be increased by up to 100% until the strict shareholding obligation contractually agreed with the Management Board members is fulfilled. This possibility does not lead to an increase in overall variable compensation but only to an increase in the percentage of the total variable compensation awarded on the basis of shares. The regulatory requirements of the Remuneration Ordinance for Institutions (InstitutsVergV) according to which a minimum of 50% of the variable compensation is to be granted in a share-based form are thus already fulfilled, along with the German Corporate Governance Code (GCGC) requirement that stipulates variable compensation is to be granted predominantly as share-based instruments. The Shareholding Guidelines, however, go beyond these requirements and prescribe that Management Board members and the Management Board Chairperson must hold shares equivalent to 100% and 200%, respectively, of their base salaries. Until the shareholding obligation is fulfilled by the individual Management Board members, the Supervisory Board has the possibility to temporarily and individually increase the portion of share-based variable compensation to up to 100%. This is a moderate way to achieve the desired level of the shareholding obligation over the next few years without increasing the complexity of the compensation system at the same time.

2.2 Increased transparency and consistency of variable compensation components

Variable compensation was made more transparent through the consistent weighting of the compensation components. Thus, the Short-Term Award (STA) now accounts for a uniform 40% of the reference variable compensation and the Long-Term Award (LTA) 60%. In this context, the assessment periods were retained of one year for the STA and three years for the LTA. Pursuant to the new model, the STA reflects only the individual target achievement level based on

(1) the individual and divisional objectives defined individually for the respective Management Board member for one year,

(2) the Balanced Scorecards issued for each Management Board member for one financial year, as well as

(3) priorities for the year that are set by the Supervisory Board for all Management Board members and go beyond the individual objectives (Annual Priorities)

All Group targets are now assessed within the Long-Term Award. To strengthen the sustainability aspects of Group targets, the Group Component – consisting of the Common Equity Tier 1 (CET1) capital ratio, leverage ratio, adjusted costs and Return on Tangible Equity (RoTE) – was moved from the Short-Term Award to the Long-Term Award, linked with an increased three-year assessment period. For the Environmental, Social and Governance Factor (ESG Factor), which replaces the previous Culture & Client Factor, collective sustainability objectives are defined (see Nos. 2.3 and 3.5.2 for additional details concerning this).

Variable compensation continues to be granted on a fully deferred basis. The deferral periods of the STA and LTA remain, in principle, constant at seven years for the STA and five years for the LTA. However, there are changes in the vesting periods of the respective tranches. Whereas the number of tranches of the STA was reduced from seven to four (disbursement of

25% every two years), the vesting of the LTA has changed in that it no longer vests in one single tranche after five years (cliff-vesting) but now vests in four-year tranches beginning from the second year after granting (tranche vesting). Through the subsequent holding period for the LTA in each case of one year, the LTA vests at the earliest after three years and is not fully disbursed until after six years. The forfeiture conditions and clawback rules remain unchanged.

The maximum target achievement levels for the Short-Term Award and the Long-Term Award were harmonized and set at 150% for both components (instead of previously 200% for the Short-Term Award). This leads to a further increase in transparency and reduction in complexity, while also reducing the total amount of achievable variable compensation.

2.3 Sustainability strategy linked to variable compensation through enhanced implementation of ESG objectives

Since 2000, Deutsche Bank has joined numerous sustainability programs and signed a range of voluntary commitments. For example, Deutsche Bank has been committed to the ten principles of the United Nations Global Compact, the goals of the Paris Climate Agreement, the Climate Commitment of the German banking industry, the UN Principles for Responsible Banking and the Equator Principles for many years. Sustainability issues are actively promoted and supported with memberships in the Banking Environment Initiative (BEI), the Sustainability Finance Advisory Council of the German Federal Government, the Finance Initiative of the UN Environment Program (UNEP FI) and participation in the European Central Bank's pilot project on climate intensity. Deutsche Bank has bundled and expanded the management and monitoring of sustainability aspects within the Group-wide Sustainability Council established in 2018 and expanded this with the Sustainability Committee established in 2020.

Sustainability, based on Deutsche Bank's understanding, has four dimensions: it is crucial not only to make one's own business operations more environmentally friendly, but also to support clients, businesses and investors in their transformation for greater sustainability. By enhancing our internal policies and guidelines, sustainability aspects receive greater attention from the business divisions and regions. Such activities should be clearly visible externally, too, through Deutsche Bank's active participation in the political and social dialogue.

By taking responsible action for the protection of the climate and biodiversity, adopting resource-conserving business practices and taking on responsibility in society, the Bank is making an important contribution to the company's success. Aspects of employee diversity and satisfaction as well as good corporate governance have been part of the Management Board's compensation for some time.

An important goal in the further development of the compensation system is therefore to explicitly link Deutsche Bank's ESG sustainability strategy with the compensation of the Management Board. As part of the STA and LTA, the Balanced Scorecards are supplemented by ESG targets, such as a target volume for sustainable financing / ESG investments and a reduction of electricity consumption in the Bank's buildings. These targets can be ambitiously set and managed by the Supervisory Board. The ESG Factor is included in the LTA with a share of 20% of the total variable compensation. The progress made will be disclosed in the annual Non-Financial Report.

2.4 Overview of the changes

The following table provides an overview of the changes in the compensation structure applicable with effect from 2021 in comparison to the previous compensation system:

Overview of changes in the compensation system

MB compensation until the 2020 financial year	Components	MB compensation from the 2021 financial year
— **Inconsistent** ratio of fixed to variable compensation — **Blurred** ratio of LTA and STA	Compensation structure	— **Consistent** ratio of fixed to variable compensation — **Uniform** ratio of LTA (60%) and STA (40%)
— **Group and individual objectives** (weighting in % of variable compensation) — **9-12%** Group component — **2-18%** Individual objectives — **6-9%** Individual Balanced Scorecards (consisting of financial and non-financial performance indicators) — **2-3%** Limited discretion — Maximum achievement: **200%**	Short-Term Award (STA)	— **Individual objectives** (weighting in % of variable compensation) — **20%** Individual objectives — **10%** Individual Balanced Scorecards (consisting of financial and non-financial KPIs supplemented by ESG objectives) — **10%** Annual Priorities — Maximum achievement: **150%**
— **Three** Group objectives (weighting in % of variable compensation) — **20-23%** Client & Culture Factor — **20-23%** Relative Total Shareholder Return — **20-23%** Organic Capital Growth — Vesting of Restricted Equity Awards after 5 years in one Tranche (**"Cliff Vesting"**)	Long-Term Award (LTA)	— **Four** Group objectives (weighting in % of variable compensation) — **20%** ESG Factor — **15%** Relative Total Shareholder Return — **15%** Organic Capital Growth — **10%** Group Component (CET1-ratio / leverage ratio / adjusted costs / RoTE) — Vesting of Restricted Equity Awards over a period of five years in tranches (**"Tranche Vesting"**)
— STA is generally granted in cash	Shareholding Guidelines	— STA is still granted in as cash award — **Additional possibility** for the Supervisory Board to also grant the STA and thus the complete variable compensation as **share-based** instruments
— Special termination right for the members of the MB — Entitlement to severance pay	Change of control	— Special termination right for the MB — **No** claim for severance pay

3. Total compensation and compensation components

3.1 Structure and compensation components of the compensation system

The compensation system consists of non-performance-related (fixed) and performance-related (variable) components. The fixed compensation and variable compensation together form the total compensation for a Management Board member. The fixed compensation consists of the base salary, contributions to the company pension plan or pension allowances, and fringe benefits. The variable compensation consists of a short-term component, called the Short-Term Award (STA) and a long-term component, called Long-Term Award (LTA).

The Supervisory Board sets a reference compensation for each Management Board member. In accordance with the recommendation of the German Corporate Governance Code (GCGC), the Supervisory Board also determines the ratio of fixed compensation to variable compensation as well as the ratio of short to long-term variable compensation.

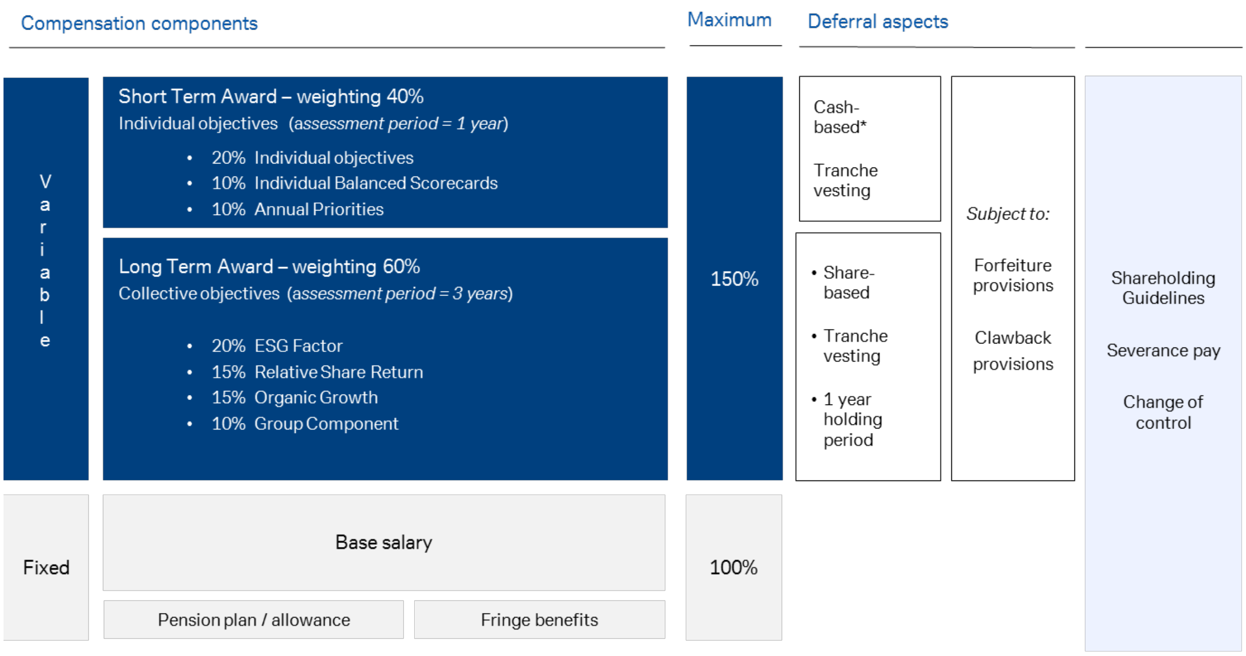
Relative percentages of the compensation components within the annual target total compensation (in %)

Compensation Components	Relative share of total compensation in %
Fixed Pay	~ 33 - 37 %
Regular fringe benefits	~ 1 %
Pension service costs / pension allowance	~ 7 - 9 %
Short-Term-Award	~ 22 - 23 %
Long-Term-Award	~ 33 - 34 %
Reference total compensation	**100%**

In this way, the Supervisory Board ensures that performance-based compensation, which is linked to achieving long-term targets, exceeds the portion from short-term targets.

The Supervisory Board defines target and maximum amounts (caps) for all compensation components. An additional upper limit (cap) is also provided for the amount of total compensation. The variable compensation is set on the basis of previously defined objectives and assessment criteria, from which the achievement level of the individual objectives can be clearly derived.

Overview of the compensation system with effect from January 2021



* Unless the Supervisory Board decides to grant (portions of) the STA in individual cases as share-based awards to meet the Shareholding Guidelines requirements.

3.2 Target total compensation

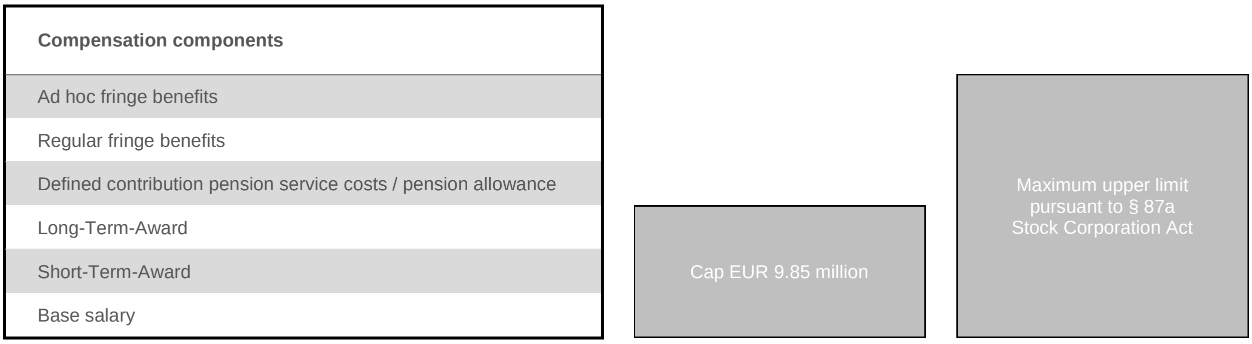
When setting the target total compensation for each Management Board member, the Supervisory Board takes into account the scope and complexity of the respective area of Management Board functional responsibility as well as the length of service of the Management Board member on the Management Board. Furthermore, the compensation amounts are reviewed for their appropriateness on the basis of suitable peer groups, whose composition is disclosed. Starting with the 2021 financial year, there will be a greater differentiation when setting the target total compensation depending on the Management Board members' areas of functional responsibility. This differentiation enables the Supervisory Board to react flexibly in the future to changes in the scope of the functional responsibilities of the Management Board members or in market value levels for a specific function.

3.3 Compensation caps

The compensation of the Management Board members is limited in several ways. This takes place through a limit on the total compensation and on the maximum possible variable compensation and by setting a maximum ratio of fixed compensation to variable compensation.

3.3.1 Cap on total compensation (maximum compensation)

The Supervisory Board set an upper limit (cap) of €9.85 million for the maximum amount that can be granted to a Management Board member for a financial year. The cap is determined through the base salary and the variable compensation (STA and LTA). This means that even with target achievement levels that would lead to higher compensation amounts, compensation is capped at a maximum of €9.85 million.



In addition, in accordance with § 87a (1) sentence 2 No. 1 Stock Corporation Act (AktG), the Supervisory Board also set a limit (maximum compensation) amounting to €12 million for all Management Board members. This cap comprises not only the base salary, STA and LTA, but also the pension service costs for the company pension plan or pension allowances and fringe benefits. The pension service costs and expenses for fringe benefits vary in their annual amounts. The contribution to the company pension plan is set uniformly to the same amount for all Management Board members. However, the amount to be recognized by the Bank in the year for the pension service costs fluctuates based on actuarial variables. The maximum compensation specified above takes into account that the sum of base salary, STA and LTA is already limited to €9.85 million. The level of maximum compensation makes it possible to recruit the best national and international personnel for management and to pay them adequately, while also taking into account the Bank's broad and international business model.

3.3.2 Cap on variable compensation

The Supervisory Board set a uniform limit of 150% for the maximum possible level of achievement for long-term and short-term objectives. Thus the total variable compensation is capped at a maximum of 150% of the reference variable compensation at year's end.

Pursuant to Capital Requirements Directive 4 (CRD 4), the ratio of fixed to variable compensation is generally limited to 1:1 (cap regulation), i.e. the amount of variable compensation must not exceed that of fixed compensation. The General Meeting in May 2014 made use of the possibility provided by law and increased the ratio to 1:2.

3.3.3 Reduction of compensation

After the target achievement level is assessed, if the calculation should result in variable compensation or total compensation that exceeds one of the specified caps, the variable compensation will be reduced. This takes place through a reduction at equal percentages of the STA and LTA.

3.4 Non-performance-related components (fixed compensation)

Fixed compensation is not linked to performance and comprises the base salary, contributions to the pension plan or pension allowance as well as fringe benefits.

3.4.1 Base salary

Various factors are considered when determining an appropriate level for the base salary. First, the base salary compensates the general acceptance of the mandate as a Management Board member and the related overall responsibility of the individual Management Board members. In addition, the compensation customary in the market is taken into account when determining the compensation amounts. Regulatory requirements that limit the ratio of fixed to variable compensation must also be observed when setting the base salary.

Accordingly, the fixed compensation is determined in a way that takes these requirements into consideration while also ensuring competitive total compensation in line with market standards.

3.4.2 Company pension plan

The Supervisory Board can allocate an entitlement to pension plan benefits to the Management Board members. These entitlements involve a defined-contribution pension plan. Under this pension plan, a personal pension account is set up for each participating member of the Management Board with effect from the term of office as a Management Board member.

The members of the Management Board, including the Management Board Chairperson, receive a uniform, contractually defined, fixed annual contribution amount. The contribution accrues interest credited in advance, determined by means of an age-related factor, at an average rate of 2% per year up to the end of 60 years of age. From the age of 61 onwards, an additional contribution in the amount of 2% per year of the amount accrued as of December 31 of the previous year will be credited to the pension account. The annual contributions, taken together, form the pension capital amount available to pay the future pension benefits upon a pension event (retirement age, disability or death). The pension account balance is vested from the start.

If a Management Board member pays income tax abroad, the granting of an annual pension allowance may be selected as the alternative to the defined-contribution pension plan entitlement. This is subject to the precondition that granting the customary pension plan contributions entails not insignificant tax-related disadvantages for the Management Board member versus granting a pension allowance. This option can be exercised once and applies to the entire term of office as Management Board member from then on. The pension allowance is equal to the amount that would normally be provided for the Management Board member's annual pension plan contributions.

3.4.3 Fringe benefits

Additional non-performance-related components include "fringe benefits". Thus, all Management Board members are granted annually recurring fringe benefits. They comprise the monetary value of non-cash benefits such as company cars and driver services, insurance premiums and expenses for company-related social functions, including payments, if applicable, of taxes on these benefits as well as taxable reimbursements of expenses. If the Management Board member does not have his or her principal place of work at the Head Office in Frankfurt, additional benefits may be approved by the Supervisory Board, e.g., a housing allowance to cover customary rental expenses. Finally, ad hoc benefits, in particular upon the initial appointment of a Management Board member, may be granted, such as security measures for his or her private residence or benefits in connection with relocating his or her place of residence to Frankfurt.

As the amount of the fringe benefits cannot be determined at the beginning of the year, the Supervisory Board instead sets annual maximum amounts for recurrent place of work-related and ad hoc benefits.

3.5 Performance-related components (variable compensation)

Deutsche Bank aims to enable economic growth and social progress and thus generate a positive impact for its clients, employees, investors and society in general. Clients are to be offered solutions, while making an active contribution to their creation of added value. At the same time, this is intended to ensure that the Bank is competitive and profitable and can operate on the basis of a strong capital and liquidity position. Deutsche Bank is committed to a corporate culture that appropriately aligns risks and revenues.

The compensation system makes an important contribution to promoting and implementing the corporate strategy in particular by linking pay to relevant and demanding performance criteria for short-term and long-term variable compensation. Profitability and performance-based compensation therefore comprises the predominant portion of total compensation.

The compensation system ensures that variable compensation is linked to pre-defined, transparent performance criteria. The close connection of compensation to the company's business and risk strategy is established, as a first step, through the agreement of objectives that are derived from the strategy and support its implementation. In a second step, the achievement level is set for each of the individual objectives based on previously defined, clear key figures and evaluation parameters that are closely aligned to the performance of Deutsche Bank and that contribute together to this performance in an appropriate manner.

The compensation system also provides for the agreement of a balanced set of not only individual and divisional objectives, but also collective objectives that are to be achieved, in each case, of a financial and non-financial nature.

Performance-based variable compensation consists of a short-term component, the Short-Term Award (STA), and a long-term component, the Long-Term Award (LTA). The long-term component accounts for a uniform 60% of the total reference variable compensation and the short-term component accounts for 40%. The Supervisory Board reduced the maximum target achievement level for the STA significantly from 200% to 150% and thereby set a uniform maximum target achievement level of 150% for the STA and LTA.

3.5.1 Short-Term Award (STA)

The STA is linked to the achievement of short-term and medium-term individual and business division-related objectives. The specific objectives are set by the Supervisory Board as part of the objective setting agreement process at the beginning of the year.

The objectives that are set support the Bank's business policy and strategic objectives, are in accordance with the Bank's business and risk strategy, and take into account the areas and/or business divisions the individual Management Board member is responsible for. The objectives can be of a quantitative and qualitative nature and are used to evaluate a balanced mix of financial and non-financial performances.

The STA portion accounts for 40% of the total variable compensation. This portion is comprised of three sub-components with different weightings: (1) individually agreed objectives with a weighting of 20% of the total variable compensation, (2) objectives in the individual Balanced Scorecards of the respective Management Board members, and (3) additional objectives for areas of focus for the year, called Annual Priorities. The latter two sub-components account for a ratio of 10% each of the total variable compensation.

STA component	Weighting (in % of total variable compensation)
Individual objectives	20%
Individual Balanced Scorecard	10%
Annual Priorities	10%

Individual objectives

The individual objectives are derived from the corporate strategy and cover its implementation. They are determined for each Management Board member in consideration of his or her respective area of responsibility and the contribution of this area of responsibility to advancing the Bank's overall strategy. Individual objectives can be defined as project, divisional or regional targets. Besides operational measures, the implementation of strategic projects and initiatives can be agreed as objectives, if they serve directly in the implementation of strategy, by contributing to, for example, the structure, organization and long-term development of the company.

At the beginning of the year, for each member of the Management Board, the Supervisory Board sets the objectives individually, the weightings of these in relation to one another and the relevant parameters for their evaluation. In the process, the objectives are selected in such a way that they are demanding and ambitious and specified concretely enough to enable a clear measurement of the target achievement level. Between four and a maximum of seven objectives are set for a financial year for each Management Board member.

For the 2021 financial year, a well-balanced mix of objectives of a financial and non-financial nature were selected for the assessment of the one-year individual performances from the following categories:

Categories for individual objectives 2021

Corporate strategy	Corporate governance
Development of the business units and regions	Customer satisfaction
Sustainability strategy (ESG)	Investors & rating agencies
Transformation activities	Risk management
Digitization & Innovation	Compliance
Gaining market share	Remediation activities
Efficiency increase and automation	Financial and liquidity planning
Regulation / cooperation with regulatory authorities	Integrity and conduct culture

Together with each individual objective, concrete measurement criteria and/or key figures are also specified at the beginning of the year. These are quantitative criteria such as key financial figures and previously defined target values, timetables for reaching specific milestones or other measurable parameters. Additionally, qualitative aspects, such as in the form of feedback, can support in the assessment of the target achievement level. On the basis of these criteria, the target achievement level is determined at the end of the assessment period for each objective.

The target achievement level of the individual objectives is defined with a lower limit of 0% and an upper limit (cap) of 150%.

Individual Balanced Scorecard

In addition to the individual objectives, the STA is also based on the individual Balanced Scorecards. Since 2018, the Management Board members' areas of functional responsibility are linked to pre-defined quantitative and qualitative key performance indicators that are bundled in each case into an individual Balanced Scorecard for the respective Management Board member. With the Balance Scorecard, the Bank introduced an appropriate tool for the steering and control of key performance indicators that can be used to check the achievement level of financial and non-financial objectives against defined measurement parameters at any time and to measure them transparently at the end of the year. The financial objectives involve, for example, divisional revenue figures or cost targets. The objectives in the Balanced Scorecard cannot be the same as the objectives of the sub-component "individual objectives" in order to avoid a repeated consideration and assessment of individual objectives.

The methodology for the Balanced Scorecards has been continually developed further since their introduction and adjusted to meet changing requirements. In order to link aspects from Environmental, Social and Governance (ESG) areas as well as sustainability more closely to the compensation system, these topics now receive an even greater consideration and weighting. The ESG objectives that Management Board members – and the business divisions and/or regions they are responsible for – have to have their performance measured on include, for example, progress made on the topics of sustainable finance (sustainability financing), own operations (energy consumption), employee feedback as well as culture and gender diversity in senior management functions. To assess the progress on ESG topics, ESG rating indices are also used to supplement the Bank's own specified key performance indicators.

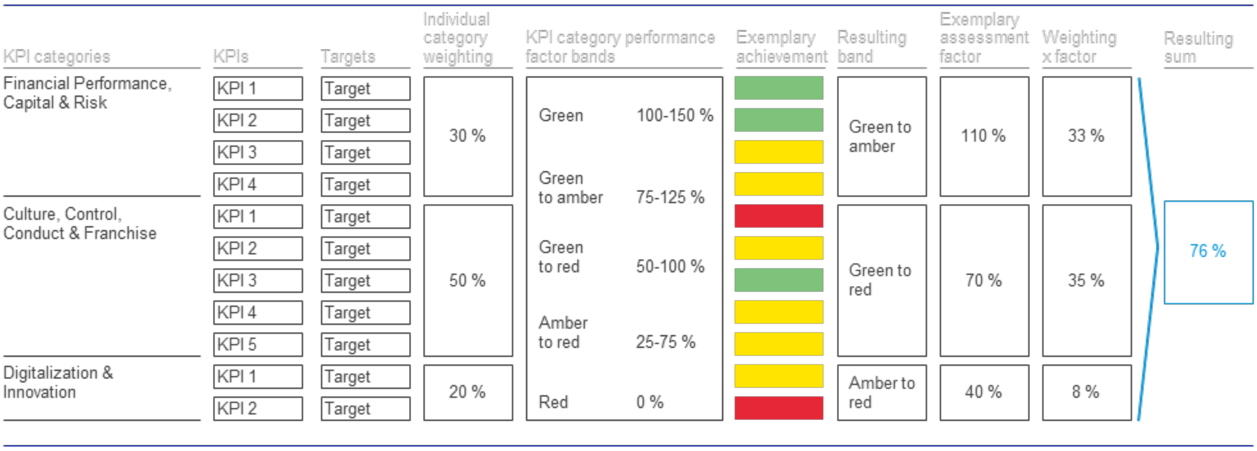
Balanced Scorecards make it possible to transform strategic objectives into operating practices through concrete actions. At the same time, they provide an overview of the priorities of the individual divisions across the entire Group. Key financial figures as well as non-financial objectives from the following areas are used as the basis of the Balanced Scorecards.

Financial Performance, Capital & Risk	e.g., IBIT, adjusted revenues, risk-weighted assets, cost-income ratio, credit loss provisions
Culture, Control, Conduct & Franchise	e.g., net flows, new loan volume, revenue market share, media reputation, leadership training quality
Digitization & Innovation	e.g., implementation of innovations, percentage of digitally active clients, automation of client pricing

At the beginning of the year, for each Management Board member individually, the Supervisory Board provides the Balanced Scorecard objectives with weightings and specifies key performance indicators or parameters for them. At the end of the year, they are measured, translated into a percentage target achievement level and will be made transparent. The target achievement level of the individual objectives is limited in the process to 150%.

The following graphic shows, as an example, how the target achievement level is determined within the framework of the Balanced Scorecards.

Balanced Scorecard



Annual Priorities

The third component in the STA involves what is called the Annual Priorities.

With the help of Annual Priorities, the Supervisory Board assesses the profitability and performance-related contributions of each Management Board member towards previously, uniformly defined focus topics for the year that are derived from and foster the Bank's strategy and that are not already part of the individual objectives or Balanced Scorecards, in order to avoid a doubled or repeated consideration and assessment of the same objectives. This provides the possibility to set operational focal points depending on the current priorities and the stage of strategy execution. The performance criteria to be used for the assessment can be of both a financial and non-financial nature.

Annual Priorities are selected from focal point areas derived from the corporate strategy. For the 2021 financial year, the Supervisory Board selected two focal point topics that stem from the following categories:

Categories of the Annual Priorities for 2021
Corporate strategy / transformation activities
Risk management

For the Annual Priorities, concrete measurement criteria and/or key figures are also specified at the beginning of the year. After the conclusion of the respective financial year, the Supervisory Board evaluates each respective share in the topic-related progress and success differentiated for each Management Board member on the basis of a proposal of the Compensation Control Committee.

The target achievement level for the Annual Priorities is defined with a lower limit of 0% and an upper limit of 150%.

Fully transparent reporting on the STA

The individual and divisional objectives as well as the objectives set for all components of the STA and the level of achievement of each of the respective Management Board members are disclosed after the conclusion of the financial year in the Compensation Report. A forward-looking disclosure is not provided in this context for reasons of confidentiality and the competition.

3.5.2 Long-Term Award (LTA)

When determining the variable compensation, the focus is placed on the achievement of long-term objectives linked to the strategy. To emphasize this, the Supervisory Board set the portion of the LTA to 60% of the total reference variable compensation. For the LTA, the Supervisory Board specifies the collective long-term objectives for the Management Board members. The achievement level is derived from the fulfillment of clear key performance indicators and/or criteria for these objectives.

The objectives in the LTA have proven themselves over the past years and will be developed further and expanded on in accordance with the strategy. The previous Group Component assessed on an annual basis has been taken out of the STA and is now part of the LTA and has – like all of the LTA objectives – a three-year assessment period. The Relative Total Shareholder Return (RTSR) of the Deutsche Bank share and the Organic Capital Growth already formed the basis for the assessment of the LTA when the compensation system was last approved by the General Meeting in 2017 and are retained unchanged. As a result, a long established and forward-looking strategic alignment of the long-term component is ensured.

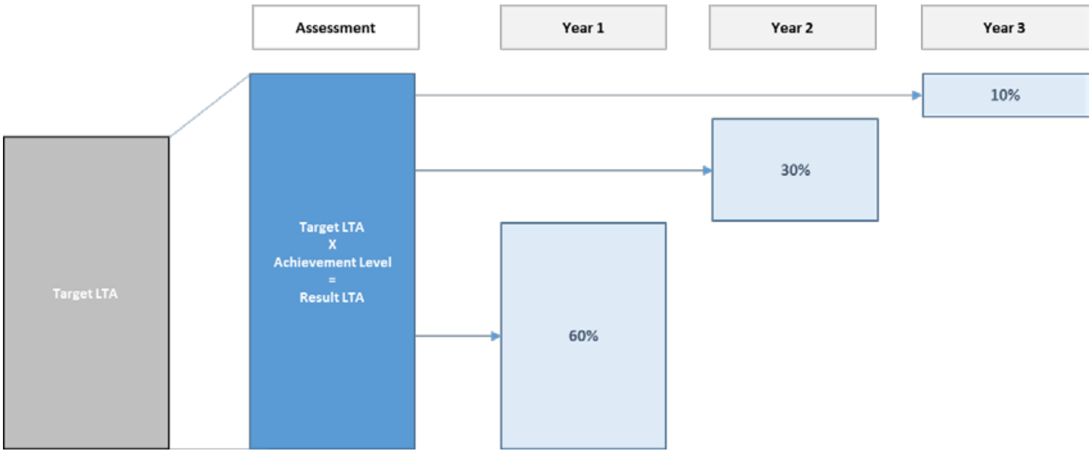
In accordance with the state of the Bank's transformation, the ESG Factor replaces the previous Client & Culture Factor in the future, and its importance is emphasized through a weighting of 20% in the total variable compensation. Within the framework of this ESG Factor, the control environment-related objectives bundled into the previous Client & Culture Factor will be supplemented by ESG-related aspects. Through the implementation of these objectives, there is now a consistent linking of Deutsche Bank's sustainability strategy with the compensation of the Management Board. Deutsche Bank strives to be a role model for sustainability in the financial sector and thus to contribute to fostering a more environmentally, socially and financially well-governed economy.

Through the continuation of the objectives underlying the Group Component relating to core capital, leverage ratio, costs and return on equity, the sustainable tracking of these metrics for the Bank's capital, risk, costs and earnings profile is ensured. By moving these sub-components from the STA to the LTA, there is a bundling of all Group objectives with a uniform assessment period over three years and the contribution to sustainability is established as a compensation-relevant aspect for all Management Board members.

LTA component	**Weighting** (in % of total variable reference compensation)
ESG Factor	20%
Relative Total Shareholder Return	15%
Organic Capital Growth	15 %
Group Component **CET1 capital ratio / leverage ratio / adjusted costs / RoTE**	10 %

Forward-looking orientation of the LTA

All objectives of the LTA are assessed over a period of three years. The target figure for each objective is multiplied by the achievement level determined for a financial year, which provides a result for the LTA objective for this year. 60% of the result determined in this way flows directly into the determination of the LTA at the end of the assessment period, a ratio of 30% flows into the determination for the first year that follows and 10% into the determination for the second year that follows.



At the end of the three-year assessment period for the LTA, a five-year deferral period follows and another one-year holding period subsequently follows this, so that a full payout does not take place until after another six years.

ESG Factor

The Bank strives to make a contribution to an environmentally friendly, socially inclusive and well-governed world and to support its clients in their transformation. Not only our advisory services but also our products and solutions should build on this commitment.

Within the framework of its sustainability strategy, Deutsche Bank therefore set itself ambitious targets and, among other things, presented them in its Climate Statement in August 2020. With effect from the 2021 financial year, these ambitious targets in ESG areas will now also be more strongly linked to the variable compensation of the Management Board members. In the process, the former Client & Culture Factor was expanded to comprise ESG objectives and, as the ESG Factor, embedded with the highest weighting in the LTA.

For the 2021 financial year, the Supervisory Board set the focal point on the successful implementation of the Bank's ESG agenda:

ESG Factor			Objectives for 2021	Weighting	
				Share of LTA	Share of variable compensation
Environment	Sustainability finance	Increase in business with sustainability financing and investments (without DWS) (in accordance with planning process 2021-2025)	EUR 31 billion	20 %	4 %
		Development of climate risk management, including review / monitoring of the entire loan portfolio	No objective set for 2021. Completion by December 2022		
	Own operations	Control of own energy consumption (% use of renewable energies)	80%	20 %	4 %
		Total building energy consumption (kwh / square meter)	250.2 (-10% vs. 2019)		
Social		Employee feedback culture	70 %	10 %	2 %
		Gender diversity (VP/D/MD)	30%		
Governance		Control environment including remediation measures	Good (4)	50 %	10 %

Over the coming years, the ESG matrix will be continually updated and developed further. A key element of Deutsche Bank's sustainability and climate concept comprises, in particular, developing a holistic framework for climate risk management on the basis of the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD). The focus here is on developing a system to identify, measure, monitor and control climate risks.

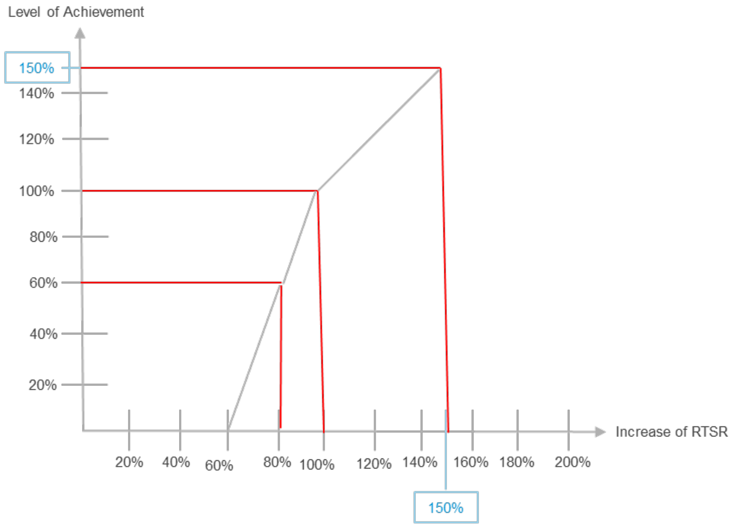
The ESG Factors for the following year are disclosed ex ante in the Compensation Report.

Relative Total Shareholder Return

The target for the Relative Total Shareholder Return (RTSR) for the Deutsche Bank share in comparison to selected financial institutions is intended to continue fostering the sustainable shareholder return of the Deutsche Bank share. The RTSR serves to more closely align the interests of the Management Board and shareholders. In addition, the RTSR provides a relative measurement of performance, creating an incentive to outperform the relevant peers.

The RTSR is derived from the total shareholder return of the Deutsche Bank share in relation to the average total shareholder returns of a selected peer group. The assessment period in this context covers three years. The Total Shareholder Return is defined as the share price performance plus theoretically reinvested gross dividends. The RTSR is calculated as a percentage based on the total shareholder return of the Deutsche Bank share in relation to the average total shareholder returns of the peer group. If the RTSR average for the year is greater than 100%, then the target achievement level increases proportionally to an upper limit of 150% of the target figure, i.e., the target achievement level increases by 1% for each percentage point above 100%. If the RTSR three-year average is less than 100%, the target achievement level declines disproportionately. For each percentage point decline of the RTSR in the range of less than 100% and 80%, the target achievement level declines by two percentage points. In the range between less than 80% and 60%, the target achievement level is reduced for each percentage point decline by three percentage points. If the RTSR does not surpass 60% over the entire assessment period of three years, the target achievement level is zero.

RTSR performance and achievement level



The peer group used as the basis for calculating the RTSR is selected from among the companies with generally comparable business activities as well as a comparable size and international presence. The Supervisory Board reviews the composition of the peer group regularly. For the year 2021, the peer group for the RTSR comprises the following banks:

Peer group companies for the RTSR 2021

Banco Santander	Bank of America	Barclays
BNP Paribas	Citigroup	Credit Suisse
HSBC	JP Morgan Chase	Société Générale
UBS	Unicredit	

The peer group companies for the RTSR for the following year are disclosed ex ante in the Compensation Report.

Organic Capital Growth

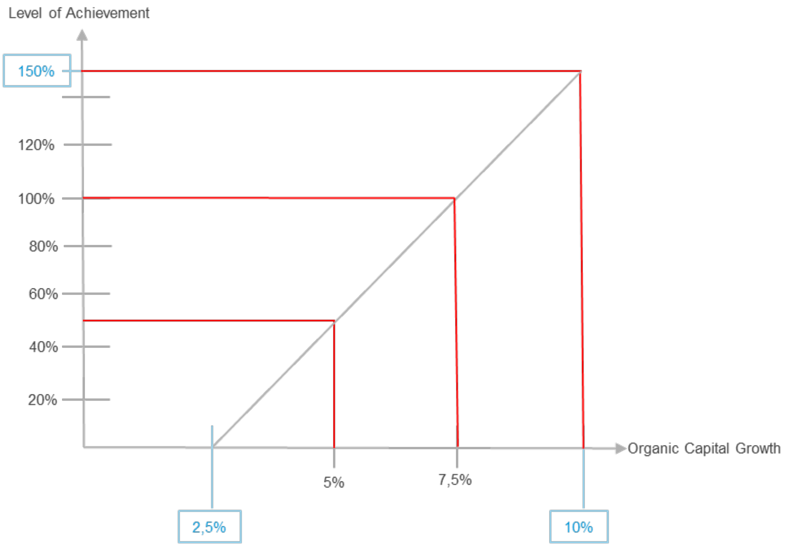
To promote the Bank's growth, the Supervisory Board specified Organic Capital Growth on a net basis as a long-term objective. Organic Capital Growth is defined as the balance of the following changes (which are reported in the Consolidated Statement of Changes in Equity) occurring during the financial year, divided by total shareholders' equity as of December 31 of the preceding financial year:

- Total comprehensive income, net of tax
- Coupon on additional equity components, net of tax
- Remeasurement gains (losses) related to defined benefit plans, net of tax
- Option premiums and other effects from options on common shares
- Net gains (losses) on treasury shares sold

Consequently, "inorganic" changes in equity, in particular the payment of a dividend or a capital increase, are of no relevance to the achievement of the objective.

This objective is also assessed over a three-year period. Starting from an average Organic Capital Growth of 2.5% (lower limit), the target achievement level increases linearly by 1% for each 0.05% of growth up to the 150% cap, which is the case with an Organic Capital Growth of 10% or more (cap). If capital growth does not surpass 2.5% over the entire three-year assessment period, the target achievement level is zero.

Development of Organic Capital Growth and achievement level



Group Component

By taking the Group Component, which was previously included in the STA, into account in the LTA, there is a further enhancement of the sustainable monitoring of this objective. It is now assessed over a three-year period.

LTA Group Component	
Core capital ratio	Common Equity Tier 1 capital ratio of the Bank in relation to its risk-weighted assets
Leverage ratio	The Bank's core capital as a percentage of its total leverage exposure pursuant to the definitions of the Capital Requirements Regulation / Capital Requirements Directive 4
Adjusted costs	Total noninterest expenses, excluding restructuring, severance and litigation costs as well as impairments of goodwill and other intangible assets

Return on tangible equity	Net income (or loss) attributable to shareholders as a percentage of average tangible shareholders' equity The latter is determined by deducting goodwill and other intangible assets from shareholders' equity

The Supervisory Board regularly reviews the selection of the performance metrics. The four objectives specified above are equally weighted. If the performance metric-based objectives are not achieved during the three-year assessment period, the Supervisory Board may determine that a Group Component will not be granted.

Fully transparent reporting on the LTA

The specified targets and objectives (including lower and upper limits) of the ESG Factor and of the Group Component as well as the target achievement level in each component of the LTA wil be disclosed in transparent form in the Compensation Report after the conclusion of the financial year.

3.5.3 Granting of variable compensation and ensuring sustainability

Since 2014, total variable compensation is granted exclusively in deferred form in order to ensure the sustainability of earnings within the framework of the business and risk strategies.

Assessment period and deferral period

The Remuneration Ordinance for Institutions (InstitutsVergV) generally stipulates a three-year assessment period for the determination of the variable compensation for Management Board members. The Bank complies with this requirement by assessing each of the objectives of the LTA over a three-year period. If the relevant three years cannot be attributed to a member of the Management Board due to that member having joined the Bank only recently, the achievement level for the objectives will be determined for the period that can be attributed to the member. If the assessment period is shorter than the prescribed minimum, the deferral period of the variable compensation to be granted is extended by the number of years missing for the minimum assessment period. The STA has an assessment period of one year. The regulatory requirement is met by extending the deferral period of the granted awards by two years. Thus, the deferral period in the STA is seven years, while it is five years in the LTA. The STA is awarded in four tranches and thus delivered every two years in portions of 25% each (in years 1, 3, 5 and 7 in each case). The LTA is delivered over the deferral period of five years in four tranches; it becomes available for disposal at the earliest after three years but is not fully available until after six years.

Cash and share components

The STA is generally granted in the form of cash compensation (Restricted Incentive Award (RIA)).

The LTA is granted on a share-based instrument (Restricted Equity Award (REA)) to achieve an even stronger alignment of the Management Board members to the Bank's performance and the Deutsche Bank share price. After the deferral period, the REAs are also subject to an additional holding period of one year. Accordingly, the Management Board members are not permitted to fully dispose of the shares until after six years. During the deferral and holding period, the value of the REAs is linked to the performance of the Deutsche Bank share and is therefore tied to the sustained performance of the Bank. Furthermore, specific forfeiture provisions apply for the REAs during the deferral and holding period.

Performance and forfeiture conditions, claim to repayment (backtesting, malus, clawback)

The granting of compensation components on a deferred basis and spreading them out over several years creates a long-term incentive effect, as specific forfeiture conditions apply in each case until they vest.

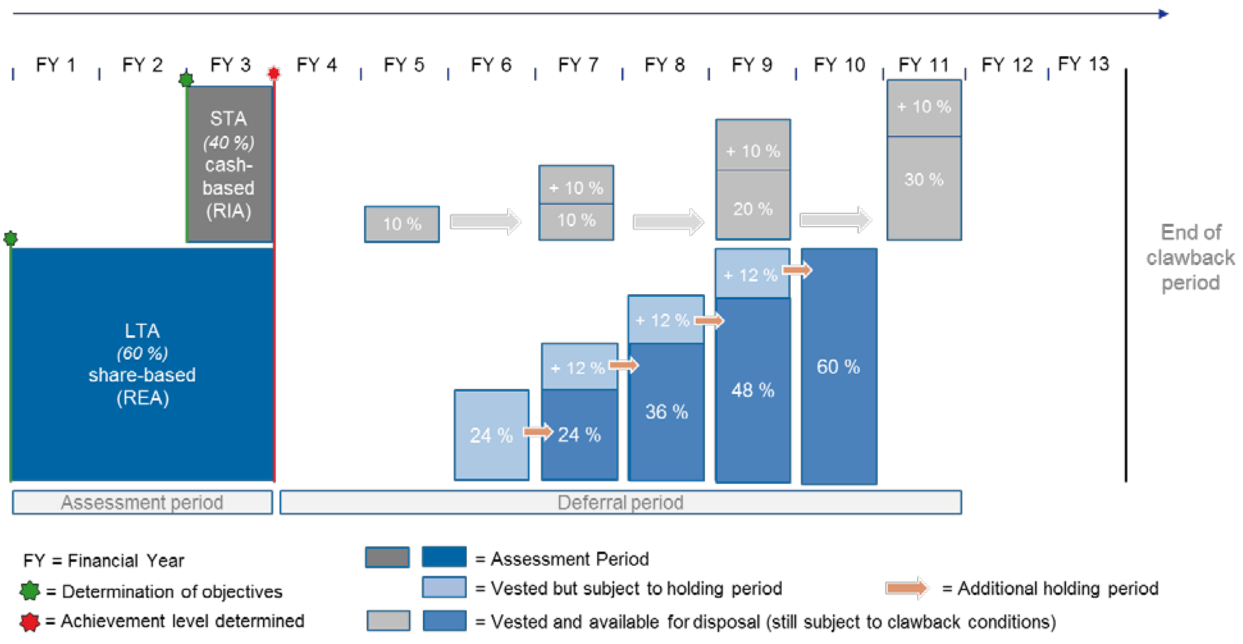
To this end, the Supervisory Board regularly reviews the results achieved in the past for their sustainability (backtesting). If the outcome is that the results rewarded by the granting of the variable compensation were not sustainable, the awards may be partially or fully forfeited.

Also, if the Group's results are negative, the already granted variable compensation may be declared fully or partially forfeited during the deferral period. In addition, the awards may be fully or partially forfeited if specific solvency or liquidity conditions were not met. Furthermore, awards may be forfeited in whole or in part in the event of individual misconduct (including breaches of regulations), dismissal for cause or negative individual contributions to performance (malus).

On top of this, the contracts of the Management Board members also enable the Supervisory Board to reclaim already paid or delivered compensation components in response to specific individual negative performance contributions made by the Management Board member for up to two years after the expiry of the last deferral period (clawback) in accordance with the provisions pursuant to § 18 (5) and § 20 (6) Remuneration Ordinance for Institutions (InstitutsVergV). The clawback is possible for the entire variable compensation for a financial year until the end of two years after the end of the deferral period of the last tranche of the compensation elements awarded on a deferred basis for the respective financial year.

The following chart shows the timeline stretching from the assessment period up to the end of the clawback period.

Deferral periods and holding periods



The percentages reflect the portions of total variable compensation.

3.5.4 No discretionary special payments

The Supervisory Board is not authorized to grant members of the Management Board discretionary or discretion-based special payments.

4. Compensation-related transactions

Commitments in connection with the acceptance of a mandate

In connection with the appointment of external executives as members of the Management Board, benefits may be granted to compensate for the forfeiture of benefits from the previous employer – in particular outstanding variable compensation that is forfeited upon joining Deutsche Bank. The Supervisory Board decides in what form the compensation is granted. Such one-time compensation benefits are reported and explained separately in the Compensation Report.

Relocation costs

If a change of residence becomes necessary within the framework of accepting the mandate or at the company's request for a change of the regular place of work, the Supervisory Board can decide that relocation costs or similar benefits will be reimbursed by the company to an appropriate extent.

Term of Management Board service contracts

The term of the Management Board service contracts is linked to the duration of the appointment, which lasts for the duration of five years at the maximum in consideration of the provisions of § 84 Stock Corporation Act. The Supervisory Board shall decide at an early stage, no later than six months before the expiry of the appointment period, on a renewed appointment. In the case of the Management Board member's reappointment, the service contract is extended for the duration of a renewed appointment.

For first-time appointments, a contract term of three years is not to be exceeded. The Management Board service contract ends automatically with the expiry of the appointment period without requiring the express notice of termination.

Benefits in the case of termination of Management Board service

The Management Board members are in principle entitled to receive a severance payment upon an early termination of their appointment, provided the Bank is not entitled to revoke the appointment or give notice under the contractual agreement for cause. In accordance with the recommendation of the German Corporate Governance Code, the severance payment amounts up to two times the annual compensation at the maximum and is limited to the claims to compensation for the remaining term of the service contract. The calculation of the severance payment is based on the annual compensation for the previous financial year and, if applicable, on the expected annual compensation for the current financial year. The severance payment is determined and granted in accordance with the statutory and regulatory requirements, in particular with the provisions of the Remuneration Ordinance for Institutions (InstitutsVergV).

Departure in connection with a Change of Control (CoC)

In the event of a change of control, Management Board members have a special termination right for their service contract. However, there is no entitlement to a severance payment.

Offsetting of compensation from mandates

The employment contracts of the Management Board members contain an obligation of the members to ensure that any compensation they may claim in their capacity as a member of any body, in particular a supervisory board, advisory board or similar body of any group entity of the Bank pursuant to § 18 Stock Corporation Act will not accrue to them. Accordingly, Management Board members do not receive any compensation for mandates on boards of Deutsche Bank subsidiaries.

50 % of the compensation from a mandate – in particular supervisory board or advisory board mandates – with a company that does not belong to Deutsche Bank Group is offset against the base salary. There is no offsetting of compensation that does not exceed €100,000 per mandate and calendar year.

Subsequent non-competition provision

After their departure from the Management Board, the members are subject in principle to a one-year non-competition provision. In this case, the company pays the Management Board member compensation (waiting allowance (*Karenzentschädigung*)) amounting to 65% of his or her annual base salary for the duration of the subsequent non-competition period. The waiting allowance shall be credited against any claim for severance pay. Furthermore all income that the Management Board member earns from self-employed, salaried or other gainful employment activities and that is not subject to the non-competition provision is offset against the waiting allowance for the duration of the post-contractual non-competition provision. The company can waive the requirement of the Management Board member to comply with the post-contractual non-competition provision. In this case, the Bank's obligation to pay the waiting allowance terminates prematurely.

Regulations on the obligation to hold shares (Shareholding Guidelines)

All members of the Management Board are required to acquire a significant volume of Deutsche Bank shares and to hold them on a long-term basis. For one thing, this requirement fosters the identification of the Management Board members with the company and its shareholders and, for another, it ensures a sustainable link to the development of the Bank's business.

For the Management Board Chairperson, the number of shares to be held amounts to two times his annual gross base salary, and for the other Management Board members, one time their annual base salary.

The requirements of the shareholding obligation must first be fulfilled on the date on which the Management Board member is granted an overall share-based variable compensation corresponding to 1.33 times the shareholding obligation since his or her appointment to the Management Board. Compliance with the requirements is reviewed semi-annually. If the required number of shares is not met, the Management Board members must correct any deficiencies by the next review.

In the context of granting of variable compensation, the Supervisory Board can resolve on an individual basis that not only the LTA but also parts of the STA or the STA as a whole may be awarded in shares until the shareholding obligation is fulfilled. This will enable compliance with the shareholding obligation to be achieved more quickly.

5. Temporary deviation from the compensation system

Pursuant to § 87a (2) sentence 2 Stock Corporation Act, it is possible in exceptional cases to temporarily deviate from individual elements of the described compensation system if this is necessary in the interests of the long-term well-being of Deutsche Bank. In such a case, the Supervisory Board declares the case as exceptional and resolves on the basis of a proposal of the Compensation Control Committee on the deviations to be taken. It remains necessary also in the case of a deviation to align the compensation to the company's long-term, sustainable development and to ensure it is in accordance with the company's earnings and the Management Board member's performance. The compensation components which may deviate from the previously described regulations are fringe benefits as a component of non-performance-related compensation as well as the performance criteria for variable compensation. The exceptional case as well as the deviations taken are presented in the Compensation Report.