



DEUTSCHE  
PFANDBRIEFBANK

# Invitation to the Annual General Shareholders' Meeting

## **Convenience translation**

Please note that only the German language version of the invitation to the 2019 Annual Shareholder's Meeting of Deutsche Pfandbriefbank AG, as published in the German Federal Gazette (Bundesanzeiger), is effective.

Deutsche Pfandbriefbank AG  
Registered office: Munich  
ISIN DE0008019001

We hereby invite our shareholders to attend the Annual General Shareholders' Meeting of Deutsche Pfandbriefbank AG.

The Meeting will be held on Friday, June 7, 2019, at 10:00 hours (CEST), at the Hotel Hilton Munich Park, Am Tucherpark 7, 80538 Munich, Germany.

## I. Agenda

### 1. Presentation of the adopted annual financial statement of Deutsche Pfandbriefbank AG, and the approved consolidated financial statements of Deutsche Pfandbriefbank Group, in each case as at 31 December 2018, as well as the combined management report of Deutsche Pfandbriefbank AG and of Deutsche Pfandbriefbank Group, including the explanatory report regarding the information in accordance with sections 289a (1) and 315a (1) of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), as well as the report of the Supervisory Board and the corporate governance report for the 2018 financial year

The above-mentioned documents have been published at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/). They will also be made available at the Annual General Shareholders' Meeting and further explained by the Management Board and – as far as the Supervisory Board's report is concerned – by the Chairman of the Supervisory Board. Also, the corporate governance statement and the corporate governance report have been published on the Company's website at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/).

The Supervisory Board has approved the annual financial statements and the consolidated financial statements prepared by the Management Board. Therefore, the annual financial statements have been adopted in accordance with section 172 sentence 1 of the German Stock Corporation Act (*Aktiengesetz*, "AktG"). Therefore, in accordance with the statutory provisions, no resolution of the Annual General Shareholders' Meeting is required with regard to this item on the agenda.

### 2. Appropriation of the distributable profit

The Management Board and the Supervisory Board propose to allocate EUR 134,475,308.00 of the distributable profit (*Bilanzgewinn*) of EUR 134,475,308.00 reported by Deutsche Pfandbriefbank AG for the 2018 financial year in its annual financial statements in accordance with the HGB, to pay a dividend of

EUR 1.00 per no-par value share entitled to dividends,

and to allocate the remaining amount of EUR 0.00 to other revenue reserves.

This results in the following appropriation of distributable profit:

Net profit	EUR 134,475,308.00
Distribution to shareholders	EUR 134,475,308.00
Allocation to other revenue reserves	EUR 0.00

This proposal for a resolution takes into consideration that the Company is not holding any treasury shares at the time of convocation, and that therefore all shares in the Company are entitled to dividend payments and to vote. In the event of a change in the number of shares entitled to dividend payments by the time a resolution is passed on the appropriation of distributable profits, the Management Board and the Supervisory Board will submit an adjusted proposal for the appropriation of distributable profits. However, such a proposal will still provide for a distribution of EUR 1.00 per no-par value share entitled to dividends, with a corresponding adjustment in the amount allocated to other revenue reserves.

According to section 58 (4) sentence 2 of the AktG, the right to the dividend payment is due on the third business day following the Annual General Shareholders' Meeting, i.e. on Thursday, June 13, 2019.

Given that the dividend for the 2018 financial year will be fully made from the tax deposit account in the meaning of section 27 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*, KStG), there will be no deduction of capital gains tax, solidarity surcharge and church tax. The dividend distribution will not be subject to taxation for domestic shareholders, but will reduce the acquisition costs of the shares for tax purposes. If the distributions exceed the acquisition costs of the shares, the resulting profit may be taxable.

### **3. Discharge of the members of the Management Board**

The Management Board and the Supervisory Board propose that discharge be granted, for the 2018 financial year, for the members of the Management Board who were in office during that period.

### **4. Discharge of the members of the Supervisory Board**

The Management Board and the Supervisory Board propose that discharge be granted, for the 2018 financial year, for the members of the Supervisory Board who were in office during that period.

### **5. Resolution on the appointment of the auditor for the annual financial statements and the consolidated financial statements, and the auditor for any review of interim financial information**

The Supervisory Board, based on the recommendation of its Audit Committee, proposes that KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, be appointed as auditor for the annual financial statements (HGB) and the consolidated financial statements (IFRS) for the 2019 financial year, and as auditor for the review of any condensed set of interim financial statements and any interim group management reports for the 2019 financial year, if and to the extent that they are subject to review.

The recommendation made by the Audit Committee to the Supervisory Board, as well as the proposal made by the Supervisory Board, are free from any undue influence by third parties. Furthermore, no arrangements were in place which could have restricted the selection of the auditor.

### **6. Amendment of the articles of association to convey messages electronically pursuant to section 125 (1) of the AktG**

The Management Board and the Supervisory Board propose that the Company's messages to its shareholders pursuant to section 125 (1) of the AktG shall be restricted to means of electronic communication, thereby making use of the alternative allowed for under sections 125 (2) sentence 2, 128 (1) sentence 2 of the AktG. Section 3 (2) of the Company's Articles of Association shall thus be amended as follows:

"The company is authorised to send information to shareholders of the Company with their permission also via electronic media. The transmission of messages pursuant to section 125 (1) in conjunction with section 128 (1) of the AktG and pursuant to section 125 (2) of the AktG is limited to electronic communication only. Mandatory statutory provisions shall remain unaffected."

### **7. Approval of the system of remuneration of the members of the Management Board**

The system of remuneration of the members of the Management Board has been approved by the Shareholders during last years' General Shareholders' Meeting. However, the system of remuneration of the members of the Management Board has been amended since then. Thus, the General Shareholders' Meeting shall now approve the amended system of remuneration. The Chairman of the Supervisory Board will give a detailed report on the amended system of remuneration of the members of the Management Board during the General Shareholders' Meeting. Details regarding the system of remuneration of the members of the Management Board can also be found in the Company's remuneration report, which has been published at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/).

The Management Board and the Supervisory Board propose to approve the system of remuneration of the members of the Management Board.

According to section 120 (4) of the AktG, the Shareholders' resolution will not result in rights and duties; particularly, the duties of the Supervisory Board pursuant to section 87 of the AktG to determine, in its own responsibility, the remuneration of the members of the Management Board will remain unaffected. Furthermore, the Shareholders' resolution may not be challenged on the grounds of section 243 of the AktG.

## **8. Amendment of the Remuneration of the Members of the Supervisory Board**

The Management Board and the Supervisory Board propose a moderate adjustment of the remuneration of the members of the Supervisory Board of the Company. In particular, the annual basic remuneration shall be increased by EUR 5,000.00 each, i.e. from EUR 30,000.00 to EUR 35,000.00 for ordinary members of the Supervisory Board, from EUR 75,000.00 to EUR 80,000.00 for the Chairman of the Supervisory Board and from EUR 45,000.00 to EUR 50,000.00 for the Deputy Chairman of the Supervisory Board. In addition, the annual remuneration for membership in the two particularly labour-intensive committees, i.e. the Audit Committee and the Risk Management and Liquidity Strategy Committee, the annual remuneration shall be increased for ordinary members from EUR 10,000.00 to EUR 15,000.00 and for the respective committee chairman from EUR 20,000.00 to EUR 30,000.00. Apart from this, the compensation for the members of the Supervisory Board does not change.

Thus, the Management Board and the Supervisory Board propose to resolve as follows:

Section 11 (1) of the Company's Articles of Association shall be amended and redrafted as follows:

"The members of the Supervisory Board receive a fixed compensation payable after the end of each financial year. The annual remuneration amounts to EUR 35,000.00 for the individual member, EUR 80,000.00 for the chairman of the Supervisory Board and EUR 50,000.00 for the deputy chairman.

For membership in the Supervisory Board's audit committee and the risk management and liquidity strategy committee, the individual member receives an additional remuneration of EUR 15,000.00 per committee membership per year and the respective chairperson of the committee receives additional compensation of EUR 30,000.00 per committee chair.

For membership in other committees of the Supervisory Board, the individual member receives an additional remuneration of EUR 10,000.00 per committee membership per year and the respective chairperson of the committee receives additional compensation of EUR 20,000.00 per committee chair.

In addition, at the end of each financial year, the members of the Supervisory Board receive a meeting fee of EUR 500.00 for each meeting of the Supervisory Board or a committee of the Supervisory Board in which the members of the Supervisory Board participate. This does not apply in case of telephone or video conferences.

The members of the Supervisory Board receive their compensation and their attendance fees plus statutory sales tax. Furthermore, the members of the Supervisory Board receive compensation for their reasonable out-of-pocket expenses.

Supervisory Board members who only belong to the Supervisory Board and/or a Supervisory Board committee for part of the financial year receive a pro rata remuneration. The annual fee will be calculated on a daily basis, including the day on which the mandate begins or ends.

The provisions under this paragraph 1 shall apply for the first time to the remuneration payable for the 2019 financial year.”

With effect of the change of section 11 (1) of the Company's Articles of Association, i.e. with the entry of the change in the commercial register of the Company, the new compensation of the Supervisory Board will be applied for the first time for the financial year started on 1 January 2019.

#### **9. Approval of the Profit- and Loss-Transfer and Domination Agreement between Deutsche Pfandbriefbank AG and CAPVERIANT GmbH**

Deutsche Pfandbriefbank AG (as the controlling company) and CAPVERIANT GmbH, Munich, registered with the Commercial Register of the Local Court of Munich under HRB 237539, (as a controlled company) have entered into a profit- and loss-transfer and domination agreement on 27 March 2019 (“Contract”).

The Contract has the following content:

##### **“Profit and Loss Transfer and Domination Agreement**

Between

Deutsche Pfandbriefbank AG  
with its registered seat in Munich  
(business address: Freisinger Straße 5,  
85716 Unterschleißheim)  
registered with the commercial register of the local court  
of Munich under HRB 41054  
- “Parent” -

and

CAPVERIANT GmbH  
with its registered seat in Munich  
(business address: Freisinger Straße 5,  
85716 Unterschleißheim)  
registered with the commercial register of the local court  
of Munich under HRB 237539  
- “Subsidiary” -

the following profit and loss transfer and domination agreement is concluded:

##### **§1 Preamble**

The Parent directly holds all of the shares in the Subsidiary since the foundation of the Subsidiary in December 2017. The Subsidiary will remain a legally independent entity.

##### **§2 Power of Control**

1. The Subsidiary shall submit itself to the control of the Parent.
2. The Parent shall issue organizational, economical, technical, financial and personal instructions to the management of the Subsidiary (to the extent it appears necessary) by its representative bodies or other authorized persons of the Parent. The instructions shall be given in a general manner or on a case-by-case basis and must be in writing. If they are given orally, they shall be confirmed in writing without undue delay. Notwithstanding the instruction right, the management and representatives of the Subsidiary shall remain responsible for the management of the Subsidiary.
3. The Subsidiary shall be obliged to follow the Parent's instructions by all accounts, unless and to the extent they do not comply with mandatory supervisory, corporate, commercial or accounting law. The amendment, maintenance or termination of this agreement shall not be subject to the instruction right.

4. The Parent shall continuously be informed of all material matters regarding the Subsidiary and the business development. In addition to the Parent's shareholder rights, the Subsidiary shall be obliged to provide and make available to the representative bodies of the Parent and their representatives all books, records and information of the Subsidiary.

### **§3 Profit Transfer**

1. The Subsidiary is obliged to transfer its entire profit pursuant to the provisions of Section 301 of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**"), as amended from time to time, accordingly.
2. With the consent of the Parent, the Subsidiary may allocate parts of the annual net income to the earnings reserves (Section 272 para. 3 of the German Commercial Code, "*HGB*") to the extent this is permitted by commercial law and economically justified by sound commercial judgment.
3. Other earning reserves within the meaning of Section 272 para. 3 HGB created during the term of the agreement shall be dissolved upon the request of the Parent, to the extent legally permissible, and transferred as profit. Other reserves or profits carried forward resulting from a time prior to the term of this agreement may not be transferred as profit.
4. The claim for the profit transfer arises upon expiry of the respective financial year of the Subsidiary and becomes due at this point in time.

### **§4 Loss Compensation**

1. The provisions of Section 302 AktG, as amended from time to time, apply accordingly to the loss compensation.
2. The claim for the loss compensation arises upon expiry of the respective financial year of the Subsidiary and becomes due at this point in time.

### **§5 Annual Financial Statements of the Subsidiary**

In order to conduct the profit transfer or loss compensation, the Subsidiary shall jointly prepare the annual financial statements, prior to their adoption, with the Parent and conduct the profit or loss accounting in a manner which can already be reflected in the annual financial statements.

### **§6 Term of Contract**

1. Except for § 2 of this agreement, the agreement will apply for the first time with retroactive effect as from the beginning of the financial fiscal year of the Subsidiary in which the agreement will be registered with the commercial register of the Subsidiary. In order to meet the time-wise requirements of Section 14 para. 1 sent. 1 no. 3 sent. 1 German Corporate Income Tax Act (*Körperschaftsteuergesetz*, "**KStG**"), the agreement may be terminated with effect as of the expiry of five years after the beginning of the fiscal year of the Subsidiary to which the agreement applies for the first time according to the preceding sentence, by giving three months' notice if the financial year of the Subsidiary ends as of this day; otherwise, the agreement may be terminated with the same notice period for the first time with effect as of the end of the financial year of the Subsidiary which is current at that day. If the agreement is not terminated in writing, it shall be renewed until the end of the respective next financial year of the Subsidiary which is current at that day.
2. The right to terminate the agreement for good cause without notice remains unaffected. A good cause is particularly present if the financial integration of the Subsidiary into the Parent is not continued, which would be required for the recognition of the tax group for tax purposes, by means of:
  - a) the disposal of the shares in the Subsidiary by way of sale or contribution;
  - b) the merger, demerger or dissolution of the Parent or Subsidiary; or
  - c) the transformation of the Subsidiary into a partnership.

## **§7 Effectiveness**

This agreement will only become effective with the consent of the shareholders' meeting of the Parent and the Subsidiary as well as the registration with the commercial register of the Subsidiary.

## **§8 Final Provisions**

1. Should any single provisions of this contract be or become invalid, the validity of the remaining provisions will not be affected. In such a case, the parties are obliged to replace the invalid provision by a provision that comes closest to the purpose of the invalid provision. The same applies in the event of a gap in the agreement.
2. The provisions of this agreement shall be construed in a manner that they comply with the requirements of the recognition of a tax group within the meaning of Sections 14, 17 KStG and Section 2 para. 2 sent. 2 of the German Trade Tax Act (*Gewerbesteuer-gesetz*).
3. The Subsidiary bears the costs of the notarization of the resolution by which of the shareholders' meeting of the Subsidiary consents to this agreement and the costs of registration with the commercial register."

At the time of signing the Contract, Deutsche Pfandbriefbank AG was the sole shareholder of CAPVERIANT GmbH and will continue to be at the time of the Annual General Meeting on 7 June 2019. For this reason, Deutsche Pfandbriefbank AG must not grant any compensation payments or severance payments to outside shareholders of CAPVERIANT GmbH.

The agreement becomes effective only with the approval of the Annual General Meeting of Deutsche Pfandbriefbank AG and the approval of the shareholders' meeting of CAPVERIANT GmbH, and only when its existence has been entered in the commercial register of the registered office of CAPVERIANT GmbH. The shareholders' meeting of CAPVERIANT GmbH has not yet agreed to the Contract.

The Management Board and the Supervisory Board propose that the Profit- and Loss-Transfer and Domination Agreement of 27 March 2019 between Deutsche Pfandbriefbank AG and CAPVERIANT GmbH be approved.

## **Note on agenda item 9**

The following documents are accessible on the Company's website ([www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/)) and will be available for inspection during the Annual General Meeting:

- the Profit- and Loss-Transfer and Domination Agreement with CAPVERIANT GmbH dated 27 March 2019,
- the annual financial statements and consolidated financial statements of Deutsche Pfandbriefbank AG for the 2016, 2017 and 2018 financial years, as well as the management reports of Deutsche Pfandbriefbank AG and the group management reports for the financial years 2016, 2017 and 2018,
- the financial statements of CAPVERIANT GmbH for the financial years 2017 and 2018<sup>1</sup>, and
- the joint report of the Management Board of Deutsche Pfandbriefbank AG and the Management Board of CAPVERIANT GmbH pursuant to section 293a of the AktG.

<sup>1</sup> Being a small corporation in the meaning of section 267 (1) of the HGB, CAPVERIANT GmbH makes use of the facilitation granted by section 264 (1) Sentence 4 of the HGB and, therefore, does not prepare management reports.



## II. Additional information

### 1. Total number of shares and voting rights

At the time of the convocation of the Annual General Shareholders' Meeting, the Company's share capital in the amount of EUR 380,376,059.67 is divided into 134,475,308 no-par value shares, each entitling the shareholder to one vote. If the Company, directly or indirectly, holds any treasury shares within the meaning of section 71d of the AktG, section 71b of the AktG prohibits the exercise of any rights arising from such shares. Hence, any treasury shares would not confer any voting or dividend rights in the Company's Annual General Shareholders' Meeting. At the time of the convocation of the Annual General Shareholders' Meeting, the Company is not holding any treasury shares, neither directly nor indirectly, and does not intend to acquire any treasury shares, either directly or indirectly, until the Annual General Shareholders' Meeting.

### 2. Preconditions for the participation in the Annual General Shareholders' Meeting and for the exercise of voting rights

#### a) Registration

All shareholders who have registered for the Annual General Shareholders' Meeting by no later than Friday, May 31, 2019, 24:00 hours (CEST) while providing proof of their share ownership, are entitled, pursuant to Article 14 (5) of the Articles of Association, to participate in the Annual General Shareholders' Meeting and to exercise their voting rights either in person or through authorised representatives. Proof of such share ownership must be provided in form of a confirmation from the custodian bank. This proof must refer to the existence of share ownership as of 21 days prior to the Annual General Shareholders' Meeting (record date), i.e. Friday, May 17, 2019, 0:00 hours (CEST). The record date is the decisive cut-off date for the determination of the shareholder status regarding the participation in the Annual General Shareholders' Meeting and the exercise of voting rights. According to section 123 (4) sentence 5 of the AktG, only those shareholders who have provided proof of their shareholder status will be deemed a shareholder *vis-à-vis* the Company for the purposes of attending the Annual General Shareholders' Meeting or exercising their voting rights. Both the registration and the proof of shareholding must be submitted

in text form (*Textform*) in German or English language to the address of Deutsche Pfandbriefbank AG, c/o UniCredit Bank AG, CBS51 CA/GM, 80311 Munich, Germany, or to the fax number +49 89 5400-2519 or to the e-mail address [hauptversammlungen@unicredit.de](mailto:hauptversammlungen@unicredit.de). The time of receipt of the registration in the Company's mailroom is decisive for meeting the deadline.

Following receipt of registration and proof of their shareholdings, admission tickets for the Annual General Shareholders' Meeting will be forwarded to the eligible shareholders. We kindly ask shareholders wanting to attend the Annual General Shareholders' Meeting or to exercise their voting rights by appointing authorised representatives or by means of postal vote – to request their admission tickets from their custodian bank in a timely manner. In such cases, the required registration and shareholding proof will be submitted directly by the custodian bank. Therefore, shareholders who have requested the admission ticket from their custodian bank in a timely manner will not need to take any further action.

In contrary to the registration for the Annual General Shareholder's Meeting, the admission ticket is not a condition for participation, but merely serves the purpose of simplifying the procedure at the admission controls for access to the Annual General Shareholder's Meeting.

Shares will not be barred or blocked due to the registration for the Annual General Shareholders' Meeting. Thus, shareholders can continue to freely dispose of their shares even after registration.

#### b) Authorised representatives

Shareholders may either exercise their voting rights personally or by using an authorised representative – for example, a credit institution or a shareholders' association willing to exercise the voting rights at the Annual General Shareholders' Meeting. Please note that, also in such cases, the registration must be carried out in a timely manner and in accordance with formal requirements. Details of the authorisation process are provided in section II. 3. a) to c) and e) of this invitation.

### **c) Postal vote**

Furthermore, shareholders may exercise their voting rights by means of a postal vote without attending the Annual General Shareholders' Meeting in person, or by appointing an authorised representative. Please note that also in such a case a timely registration in due form is required. The same formal requirements apply, including the timely registration. Details on the postal voting procedure are provided in section II. 3. a), d) and e) of this invitation.

## **3. Voting procedure**

### **a) General**

Once duly registered, you may attend the Annual General Shareholders' Meeting in person and exercise your voting rights personally. You may also exercise your voting rights through an authorised representative, a proxy or by postal vote.

### **b) Voting through an authorised representative**

Shareholders who wish to exercise their voting rights at the Annual General Shareholders' Meeting through an authorised representative rather than personally must ensure that they grant an adequate power of attorney to the authorised representative prior to voting. In this case, shareholders must consider the following:

If neither a credit institution nor another person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG (for example a shareholders' association) is authorised, the power of attorney must be issued either in text form *vis-à-vis* the Company at any of the addresses set forth above under section II. 2. a) of this invitation for registration purposes or directly to the authorised representative (in which case, proof of such authorisation is required to be provided to the Company in text form). The same applies if a shareholder wishes to revoke a power of attorney. The personal attendance of a shareholder will automatically be considered a revocation of any authorisations or instructions previously granted or given to authorised representatives.

Shareholders and their authorised representatives must submit the proof of authorisation or of the revocation of the power of attorney no later than Thursday, June 6, 2019, 18:00 hours (CEST) to the Company at any of the addresses set forth above under section II. 2. a) of this invitation for registration purposes. On the day of the Annual General Shareholders' Meeting, such proof can be submitted at the entrance/exit point to the Annual General Shareholders' Meeting until the end of the general debate.

If a credit institution, a shareholders' association or another person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG has been authorised, text form is not required. According to applicable law, in such cases the power of attorney must be issued to a specific representative, and the authorised institution or person is required to keep verifiable records of the power of attorney. Furthermore, the declaration of the power of attorney must be complete, and may contain only statements relating to the exercise of the voting rights. Therefore, if you wish to authorise a credit institution, a shareholders' association or any other person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG to act as an authorised representative, please consult with them as to the formal requirements of such a power of attorney. However, any infringement of these and certain other requirements stated in section 135 of the AktG regarding the authorisation of a credit institution, a shareholders' association or another person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG does not, pursuant to section 135 (7) of the AktG, affect the validity of the votes cast.

In the event that a shareholder appoints more than one person as authorised representative, section 134 (3) sentence 2 of the AktG entitles the Company to reject one or several of these persons.

### **c) Voting by proxy**

Shareholders may also opt to be represented by staff members of the Company appointed by the Company (so-called Company Proxies) at the Annual General Shareholders' Meeting. In this case, shareholders must consider the following:

Company Proxies may only vote on agenda items for which they have received explicit instructions regarding the exercise of the voting right. Said Company Proxies are under an obligation to cast their votes in line with the instructions given. Company Proxies will not exercise voting rights for which they have not received instructions.

Please note that the Company Proxies will not accept any instructions to speak, to raise objections against Annual General Shareholders' Meeting resolutions or to ask questions or submit motions, and that they will only be available for the voting on such motions and election nominations in respect of which proposals by the Management Board and/or the Supervisory Board pursuant to section 124 (3) of the AktG or of shareholders pursuant to section 124 (1) of the AktG were either included in this invitation to the Annual General Shareholders' Meeting or announced subsequently, or which are made public in accordance with sections 126 and 127 of the AktG.

Powers of attorney and instructions for Company Proxies may be issued, amended or revoked in text form until Thursday, June 6, 2019, 18:00 hours (CEST) at the latest to the address of Deutsche Pfandbriefbank AG, Hauptversammlung 2019, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany, or under the fax number +49 89 21027-289 or under the e-mail address [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de). The time of receipt of the power of attorney, instruction, amendment, or revocation in the Company's mailroom is decisive for meeting the deadline. On the day of the Annual General Shareholders' Meeting, powers of attorney and instructions may be issued, amended or revoked in text form to the Company Proxies at the entrance/exit point to the Annual General Shareholders' Meeting until the end of the general debate. Shareholders entitled to attend the Annual General Shareholders' Meet-

ing, or their authorised representatives will receive a corresponding form at the entrance point of the Annual General Shareholders' Meeting.

The personal attendance of a shareholder or of an authorised third party will automatically be considered a revocation of any authorisations or instructions previously granted or given to Company Proxies. Instructions issued to Company Proxies regarding item no. 2 on the agenda will remain valid even if the proposal for the appropriation of distributable profits is adjusted as a consequence of a change in the number of shares entitled to dividend payments. If separate votes are held on an agenda item instead of collective voting, the instructions given to the Company Proxy on this item will apply accordingly to each item of the separate votes.

### **d) Postal vote**

For shareholders to exercise their voting rights via postal voting, they must consider the following:

Postal votes may be sent in, amended or revoked in text form until Thursday, June 6, 2019, 18:00 hours (CEST) at the latest to the address of Deutsche Pfandbriefbank AG, Hauptversammlung 2019, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany, or under the fax number +49 89 21027-289 or under the e-mail address [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de). The time of receipt of the postal vote, amendment, or revocation in the Company's mailroom is decisive for meeting the deadline.

Please note that shareholders using the postal vote will only be able to vote on such motions and election nominations in respect of which proposals by the Management Board and/or the Supervisory Board pursuant to section 124 (3) of the AktG or of shareholders pursuant to section 124 (1) of the AktG were either included in this invitation to the Annual General Shareholders' Meeting or announced subsequently, or which are made available in accordance with sections 126 and 127 of the AktG.

Authorised representatives, including authorised credit institutions or other persons or institutions of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG (for example shareholders' associations), may also use the postal vote.

The personal attendance of a shareholder or of an authorised third party at the Annual General Shareholders' Meeting will automatically be considered a revocation of any previously submitted postal votes. Should Company Proxies receive powers of attorney/instructions, and postal votes are also submitted, postal votes will always be given priority. Postal votes regarding item no. 2 on the agenda will remain valid even if the proposal for the appropriation of distributable profits is adjusted as a consequence of a change in the number of shares entitled to dividend payments. If separate votes are held on an agenda item instead of collective voting, the submitted postal vote will apply accordingly to each item of the separate votes.

#### e) Forms for granting power of attorney and postal vote

Shareholders may appoint an authorised representative, or vote by postal vote using the form enclosed with the admission ticket, but also by any other method respecting the formal requirements. An authorisation and postal voting form that may be used universally is available for download at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/). This form will also be forwarded to you free of charge upon request. If you wish to authorise a credit institution or any other person or institution of equivalent standing under sections 135 (8), 135 (10) and 125 (5) of the AktG (for example a shareholders' association), please consult with them as to the formal requirements of such a power of attorney.

#### 4. Shareholders' rights

Shareholders' rights, before and during the Annual General Shareholders' Meeting, include – among others – the following rights. More information regarding such rights is available on our website [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/).

#### a) Additions to the agenda

Pursuant to section 122 (2) of the AktG, shareholders whose combined shareholdings add up to a twentieth of the share capital, or reach the nominal amount of EUR 500,000.00 of the Company's share capital (corresponding to 176,767 shares), may request that certain items be included in the agenda and communicated. Each new agenda item must be accompanied by an explanation or a proposal. Such a request must be addressed, in writing, to the Management Board of Deutsche Pfandbriefbank AG, Freisinger Str. 5, 85716 Unterschleißheim, Germany. The Company must receive such a request no later than Tuesday, May 7, 2019, 24:00 hours (CEST). Applicants must prove that they have held the shares for at least 90 days before the request is received, and that they will hold the shares until the Management Board decides on the request. For the calculation of the shareholding period, section 70 of the AktG applies. Furthermore, section 121 (7) of the AktG shall apply *mutatis mutandis*. As such, the day of receipt of the request shall not be included in the calculation of the deadline. Postponing to or bringing forward from a Sunday, Saturday or a public holiday to a preceding or following business day is not permissible. Sections 187 to 193 of the German Civil Code (*Bürgerliches Gesetzbuch*, **BGB**) shall not apply analogously.

Amendments to the agenda that require communication (unless they were already communicated with the convocation) will be published, without undue delay following receipt of the request, in the German Federal Gazette and will be forwarded to such other media for publication that can be assumed to distribute information throughout the entire European Union. In addition, they will also be published on our website [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/), and communicated to the shareholders in accordance with section 125 (1) sentence 3 of the AktG.

## **b) Counter-proposals; nominations**

Each shareholder is entitled to lodge counter-proposals in response to resolutions proposed on the items on the agenda. If the counter-proposals are to be made available by the Company prior to the Annual General Shareholders' Meeting, they must be sent to the Company no later than 14 days prior to the Annual General Shareholders' Meeting, i.e. by Thursday, May 23, 2019, 24:00 hours (CEST), either to the address of Deutsche Pfandbriefbank AG, Investor Relations, Attn. Mr. Michael Heuber, Freisinger Straße 5, 85716 Unterschleißheim, Germany, or under the fax number +49 89 2880-10319. Counter-proposals sent to other addresses need not be made available. The time of receipt of a counter-proposal in the Company's mailroom is decisive for meeting the deadline. In the case that one of the exclusions in accordance with section 126 (2) of the AktG applies, a counter-proposal need not be made available. Substantiations of a counter-proposal do not need to be made accessible where they exceed 5,000 characters in total. Subject to section 126 (2) and (3) of the AktG, shareholders' counter-proposals that are to be made available will be published at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/) together with the shareholder's name and an explanatory remark as well as any related statements by the management.

The right of every shareholder to table counter-proposals or submit nominations regarding the various items of the agenda at the Annual General Shareholders' Meeting without having sent them to the Company previously shall remain unaffected. Please note that even those counter-proposals or nominations submitted to the Company in good time will only be taken into consideration at the Annual General Shareholders' Meeting if they are made or presented orally. According to section 127 of the AktG, these rules also apply, mutatis mutandis, to shareholder nominations for the appointment of members of the Supervisory Board or of auditors. Such nominations must also be sent exclusively to the addresses specified above under section II. 4. b). Such nominations need not be justified. In addition to the grounds defined in section 126 (2) of the AktG, a nomination need not be made available by the Management Board, inter alia, if the nomination does not contain name, executed profession and

residence of the candidate. Nominations for the election of Supervisory Board members do not need to be made available if they do not include details on the membership of the proposed candidates for election to the Supervisory Board in other statutory supervisory boards within the meaning of section 125 (1) sentence 5 of the AktG.

## **c) Right to disclosure**

In accordance with section 131 (1) of the AktG, every shareholder may request that the Management Board provide information on the Company's affairs at the Annual General Shareholders' Meeting to the extent that such information is necessary to make a reasonable assessment of an agenda item, and provided that no privilege of non-disclosure pursuant to the grounds defined in section 131 (3) of the AktG applies. The Management Board's disclosure obligation also relates to the legal and commercial relationships between the Company and its affiliated companies. The duty of disclosure also includes information on the position of Deutsche Pfandbriefbank Group and of the companies included in the consolidated financial statements of Deutsche Pfandbriefbank AG.

## **5. Information and documents on the Annual General Shareholders' Meeting; website**

This convocation of the Annual General Shareholders' Meeting, including the legally required information and explanations, as well as the documents to be made available (pursuant to section 124a of the AktG), can be accessed at and downloaded from our website, on [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/). All documents required to be made available to the Annual General Shareholders' Meeting by law will also be available for inspection at the Annual General Shareholders' Meeting. The voting results will be published on the same website following the Annual General Shareholders' Meeting.

## **6. Broadcasting of the Annual General Shareholders' Meeting; video and audio recording**

The Annual General Shareholders' Meeting will neither be transmitted by video nor by audio broadcast. However, video and audio recordings will be made of speeches given by the Management Board.

## **7. Information on data protection**

The following is intended to provide you with information on processing of your personal data by Deutsche Pfandbriefbank AG and your rights under data protection law. You can obtain more information on data protection in the Privacy Notice at [www.pfandbriefbank.com/en/privacy.html](http://www.pfandbriefbank.com/en/privacy.html).

The responsible data controller is Deutsche Pfandbriefbank AG, Freisinger Straße 5, 85716 Unterschleißheim, Germany. You can contact the data privacy officer of Deutsche Pfandbriefbank AG by regular mail under the aforementioned address or by e-mail to [group.dataprotection@pfandbriefbank.com](mailto:group.dataprotection@pfandbriefbank.com).

In connection with the Shareholders' Meeting, Deutsche Pfandbriefbank AG processes your personal data (repository data of the shareholder, the name, address and e-mail address of his/her representative, if applicable, the type of ownership of the shares, absentee votes/voting instructions, and the number of the admission ticket) on the basis of prevailing data protection legislation.

Processing of your personal data is mandatory in order to enable you as a Shareholder to participate at the Shareholders' Meeting and to conduct the Shareholder's Meeting. Legal Basis for the processing is art. 6 (1) s. 1 lit. c) GDPR in conjunction with section 118 et seqq. of the AktG, section 14 of the Articles of Association of Deutsche Pfandbriefbank AG. In general, Deutsche Pfandbriefbank AG receives the Shareholder's personal data from the credit institution which the Shareholder has instructed to hold its shares in safe custody (so-called custodian bank).

Deutsche Pfandbriefbank AG uses the services of external service providers and their subcontractors based in the EU for the conduction of the Shareholder's Meeting. The service providers commissioned for the conduction of the Shareholder's Meeting process your personal data exclusively in member states of the European Union or the European Economic Area and in accordance with the instructions of Deutsche Pfandbriefbank AG and only to the extent that this is required for the execution of the commissioned service. All employees of Deutsche Pfandbriefbank AG and the employees of the commissioned service providers who have access to and/or process Shareholders' personal data are obliged to treat this data confidentially. Moreover, the publication and/or transfer of your personal data to third parties, in particular to other Shareholders and their representatives, may also be required, e.g. as a result of the legal notification obligations under sections 126, 129 of the AktG.

Deutsche Pfandbriefbank AG will delete your personal data in accordance with the statutory regulations, in particular if your personal data is no longer necessary for the original purposes of processing, the data is no longer required in connection with any administrative or court proceedings and there are no statutory storage obligations.

At the aforementioned address, you can obtain information on, and access to, the data about you that Deutsche Pfandbriefbank AG has stored. If the legal requirements are met, you also have the right to demand that your data be rectified or erased or that processing of it is restricted.

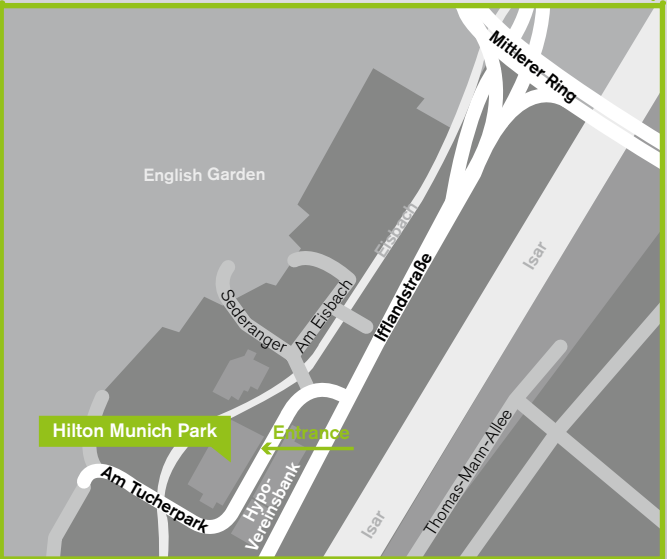
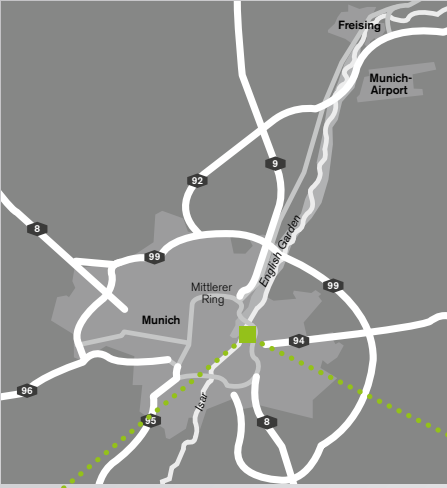
In case you wish to lodge a complaint about how your data is being used you can contact the aforementioned data privacy officer or a data protection supervisory authority.

Unterschleißheim, April 2019

Deutsche Pfandbriefbank AG

The Management Board

# How to find us



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