



**DEUTSCHE  
PFANDBRIEFBANK**

# Invitation to the Annual General Shareholders' Meeting

**Convenience translation**

Please note that only the German language version of the invitation to the 2021 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

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**Overview with information according to section 125 AktG in connection with Table 3 of the Implementing Regulation (EU) 2018/1212**

**A. Specification of the message**

1. Unique identifier of the event: Virtual Annual General Meeting of Deutsche Pfandbriefbank AG 2021  
(**Formal specification according to the EU-Regulation:** DeutschePfandbriefbankAGAGM20210512)
2. Type of message: Convocation of General Meeting  
(**Formal specification according to the EU-Regulation:** NEWM)

**B. Specification of the issuer**

1. ISIN: DE0008019001
2. Name of issuer: Deutsche Pfandbriefbank AG

**C. Specification of the meeting**

1. Date of the General Meeting: Wednesday, 12 May 2021  
(**Formal specification according to the EU-Regulation:** 20210512)
2. Time of the General Meeting (start): 10:00 hours (CEST)  
(**Formal specification according to the EU-Regulation:** 08:00 hours UTC (Coordinated Universal Time))
3. Type of General Meeting: Annual General Meeting held as a virtual Annual General Meeting without physical presence of either shareholders or their authorized representatives  
(**Formal specification according to the EU-Regulation:** GMET)
4. Location of the General Meeting:  
URL to the company's shareholder portal to follow the annual general meeting in picture and sound as well as to exercise shareholder rights: [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/)  
  
Place of the General Meeting in the meaning of the German Stock Corporation Act (Aktiengesetz, AktG): Parkring 28, 85748 Garching, Germany  
(**Formal specification according to the EU-Regulation:** [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/))
5. Record date (*Nachweisstichtag*): Wednesday, 21 April 2021, 00:00 hours (CEST)  
(corresponds to April 20, 2021, 22:00 hours UTC (Coordinated Universal Time)) – Record Date  
(**Formal specification according to the EU-Regulation:** 20210421, 00:00 hours CEST)
6. Webpage for the Annual General Meeting / Uniform Resource Locator (URL):  
[www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/)

**Further information on the convening of the General Meeting (Blocks D to F of Table 3 of the Annex to the Implementing Regulation (EU) 2018/1212):**

Further information on attending the Annual General Meeting (Block D), the Agenda (Block E) and the deadlines for exercising other shareholder rights (Block F) can be found on the following website:  
[www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/)

**Overview of the Agenda**

Item 1	Presentation of the adopted annual financial statement and the approved consolidated financial statements as well as the combined management report of Deutsche Pfandbriefbank AG and of Deutsche Pfandbriefbank Group for the 2020 financial year, the Management Board's proposal for the appropriation of the distributable profit as well as the report of the Supervisory Board for the 2020 financial year	p. 3
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We hereby invite our shareholders to the Annual General Meeting of Deutsche Pfandbriefbank AG ("Company") which will be held as a virtual Annual General Meeting without physical presence of either shareholders or their authorized representatives on **Wednesday, 12 May 2021, at 10:00 hours (CEST)**.

The Annual General Meeting will be broadcasted by audio-visual means live on the internet for properly registered shareholders. The shareholders' voting rights will be exercised exclusively by way of postal voting or by granting power of attorney to the Company Proxies. The place of the Annual General Meeting within the meaning of the German Stock Corporation Act (*Aktiengesetz*, "AktG") is Parkring 28, 85748 Garching.

## I. Agenda

### 1. Presentation of the adopted annual financial statement and the approved consolidated financial statements as well as the combined management report of Deutsche Pfandbriefbank AG and of Deutsche Pfandbriefbank Group for the 2020 financial year, the Management Board's proposal for the appropriation of the distributable profit as well as the report of the Supervisory Board for the 2020 financial year

The above-mentioned documents also include the remuneration report and the explanatory report for the notes pursuant to sections 289a and 315a of the German Commercial Code (*Handelsgesetzbuch*, "HGB"), in each case in the version applicable for the 2020 financial year. The previously-mentioned documents as well as the declaration on corporate governance, which also contains the corporate governance report, and the non-financial report for the Company's Group according to sections 315b, 315c in conjunction with sections 289c – 289e HGB have been published at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/). They will be also be available during the Annual General Meeting and explained by the Management Board as well as – as far as the Supervisory Board's report is concerned – by the Chairman of the Supervisory Board.

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 AktG. Therefore, in accordance with the statutory provisions, no resolution of the Annual General 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 the distributable profit (*Bilanzgewinn*) of EUR 115,328,536.00 reported by the Company for the 2020 financial year in its annual financial statements in accordance with the HGB, in the amount of EUR 34,963,580.08 to pay a dividend of EUR 0.26 per no-par value share entitled to dividends, and to carry forward the remaining amount of EUR 80,364,955.92 on new account. This results in the following appropriation of distributable profit:

Net profit:	EUR 115,328,536.00
Distribution to shareholders:	EUR 34,963,580.08
Profit carried forward:	EUR 80,364,955.92

This proposal takes into account the recommendation of the European Central Bank to all institutions under its direct supervision to exercise extreme restraint with dividend payments until 30 September 2021. Accordingly, dividend payments should not account for more than 15% of the accumulated profits for 2019 and 2020 and should not exceed 20 basis points of the CET1 ratio.

This proposal also 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 0.26 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 AktG, the right to the dividend payment is due on the third business day following the Annual General Shareholders' Meeting, i. e. on **Tuesday, 18 May 2021**.

Given that the dividend for the 2020 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*), 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 2020 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 2020 financial year, for the members of the Supervisory Board who were in office during that period.

### 5. Elections to the Supervisory Board

The mandates of all shareholder representatives on the Company's Supervisory Board will regularly end at the end of the 2021 Annual General Meeting. In accordance with sections 96 (1) and 101 (1) AktG, sections 4 (1) and 1 (1) of the German One-Third Co-Determination Act (*Drittelbeteiligungsgesetz*) in conjunction with section 8 (1) of the Company's Articles of Association, the Supervisory Board is composed of six members elected by the shareholders and three members elected by the employees. Therefore, six members of the Supervisory Board are to be newly elected by the Annual General Meeting.

The Supervisory Board proposes to elect the following persons:

- a) **Mr. Dr. Günther Bräunig**, chairman of the management board of KfW ("KfW"), Frankfurt am Main,
- b) **Mrs. Dagmar P. Kollmann**, entrepreneur, Vienna / Austria,
- c) **Mr. Dr. Thomas Duhnkrack**, entrepreneur, Kronberg im Taunus,
- d) **Mr. Oliver Puhl**, founder and managing director, Frankfurt am Main,
- e) **Mr. Hanns-Peter Storr**, bank clerk, Frankfurt am Main, and
- f) **Mrs. Susanne Klöß-Braekler**, independent member of supervisory and advisory boards and senior advisor, Munich,

to be elected as a shareholder representative to the Supervisory Board. The appointment is made for Mr. Dr. Thomas Duhnkrack, Mr. Oliver Puhl, Mr. Hanns-Peter Storr and Mrs. Susanne Klöß-Braekler for a term of office until the end of the Annual General Meeting which decides on discharge for the third financial year after the start of the term of office; the financial year in which the term of office begins

is not included. For Mr. Dr. Günther Bräunig and Mrs. Dagmar P. Kollmann, however, the appointment is made for a term of office until the end of the Annual General Meeting that decides on discharge for the financial year 2022.

The nomination is based on the recommendation of the Presidential and Nomination Committee of the Supervisory Board and takes into account the objectives resolved by the Supervisory Board for its composition. Furthermore, the nomination takes into account recommendations C.6 to C.12 of the German Corporate Governance Code. The proposal to elect Mr. Dr. Günther Bräunig to the Company's Supervisory Board is not solely based on the recommendation of the Presidential and Nomination Committee of the Supervisory Board, but also on the right of the former Federal Agency for Financial Market Stabilization, Frankfurt am Main ("FMSA"). This proposal right is stipulated in section 14 (1) of the Framework Agreement by and between the Bundesrepublik Deutschland – Finanzagentur GmbH, Frankfurt am Main ("Finanzagentur") (as legal successor to the FMSA), the Finanzmarkt-Stabilisierungsfonds, Frankfurt am Main ("FMS"), and the Company, which has been entered into in the course of the stabilization of the Company as a result of the financial crisis.

It is intended to hold the elections to the Supervisory Board in accordance with recommendation C.15 sentence 1 of the German Corporate Governance Code by way of individual elections. It is further intended that, after the election, the newly constituted Supervisory Board will re-elect from among its members Mr. Dr. Günther Bräunig as chair of the Supervisory Board and Mrs. Dagmar P. Kollmann as the deputy chair of the Supervisory Board, in each case provided that they are elected to the Supervisory Board.

Further information on the proposed members of the Supervisory Board can be found in section II.

#### **6. 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 proposes, based on the recommendation of the Audit Committee, to resolve:

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, shall be appointed as the auditor (HGB) and group auditor (IFRS) for the financial year 2021 and as the auditor for the review of any interim condensed financial statements and interim management reports for the Group for the financial year 2021 if and insofar as they are subject to an audit review.

On the basis of a selection procedure carried out in accordance with article 16 of EU Regulation 537/2014, the Audit Committee recommended to the Supervisory Board as its preferred candidate that the Annual General Meeting shall appoint Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, as auditor (HGB) and group auditor (IFRS) for the financial year 2021 as well as auditor for the review of any condensed interim consolidated financial statements prepared for the financial year 2021, if and insofar as they are subject to an audit 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.

#### **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 the 2019 Annual Shareholders' Meeting. Since then, the system of remuneration of the members of the Management Board has been amended, in particular with a view to changes in

applicable law that have taken place in the meantime and the further developing market practice. The revised remuneration system for the members of the Management Board is printed in this invitation under "III. Information on Agenda item 7".

The Supervisory Board proposes to approve the system of remuneration of the members of the Management Board, as printed under "III. Information on Agenda item 7" be approved.

#### **8. Amendment of the remuneration and approval of the remuneration system of the members of the Supervisory Board; amendment of the Articles of Association**

The remuneration of the members of the Supervisory Board is stipulated in section 11 of the Company's Articles of Association. It was last changed by resolution of the 2019 Annual Shareholders' Meeting.

After a detailed review, the Executive Board and the Supervisory Board came to the conclusion that the currently applicable remuneration regulations for the members of the Supervisory Board basically serve the interests of the company and are also appropriate. Given the increasing digitalization and the restrictions of the Covid-19 pandemic and the associated increase in meetings of the Supervisory Board or its committees, which are now held fully or predominantly by video or telephone conference, the current regulation according to which the members of the Supervisory Board do not receive attendance fees if and to the extent that a meeting takes place solely by video or telephone conference, proved to be no longer appropriate. The differentiation between conducting a physical meeting on the one hand and conducting the meeting exclusively by telephone or video on the other shall therefore be abolished with effect from the beginning of the 2021 financial year. A change in the amount of the attendance fee is explicitly not associated with this.

The remuneration system on which the remuneration of the members of the Supervisory Board is based, together with the information pursuant to sections 113 (3) sentence 3, 87a (1) sentence 2 AktG, is presented in this invitation in section "IV. Information concerning Agenda item 8". Section 11 of the Articles of Association is also printed there, taking into account the amendment proposed below.

The Board of Management and the Supervisory Board propose to resolve as follows.

##### **a) Amendment of the Articles of Association**

- aa) Section 11 (1) subparagraph 4 sentence 2 of the Articles of Association shall be deleted without replacement.
- bb) Section 11 (1) subparagraph 7 of the Articles of Association shall read as follows:

*"The regulation according to this paragraph 1, which was revised by resolution of the Annual General Meeting on 12 May 2021, applies for the first time to the remuneration to be paid for the 2021 financial year."*

##### **b) Resolution on the remuneration and approval of the remuneration system**

The provisions on remuneration, as amended and otherwise unchanged, are confirmed and the remuneration system for the members of the Supervisory Board, which is printed out under "IV. Information concerning Agenda Item 8" following the agenda, is resolved.

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 2021.

#### **9. Amendment of section 18 of the Articles of Association regarding the dividend in kind**

As a credit institution, the company is subject to special regulatory requirements, including of Regulation (EU) No. 575/2013 (Capital Requirements Regulation, "CRR"). If there is the possibility that a bank can decide alone to distribute profits (also) in a form other than cash or equity instruments, article 73 CRR provides that the recognition of the share capital as regulatory equity is only possible if the credit institution has received prior approval from the competent authority (i.e., in the case of the Company, the European Central Bank) for such a dividend in kind. Section 18 (2) of the Company's Articles of Association provides for the possibility of the Annual General Meeting to decide on a dividend in kind. As this section does not contain an explicit reference to the reservation of article 73 CRR, there might be supervisory concerns regarding the regulatory position of the Company's equity. As a matter of precaution, the banking supervisory authorities have already advised the Company and other German banks with comparable provisions in their articles of association of this. Therefore, the corresponding section in the Company's Articles of Association on the dividend in kind has to be adjusted accordingly.

Against this background, the Management Board and the Supervisory Board propose to resolve:

Section 18 (2) of the Company's Articles of Association shall be amended and read as follows:

*„In place of a distribution in cash, the General Meeting may decide on the appropriation of distributable profits, wholly or in part, by way of a distribution in kind, if and to the extent that the competent authority has previously approved such a distribution in kind in accordance with article 73 (1) and (2) CRR.“*



## II. Information concerning Agenda Item 5

Candidate	Membership in other statutory supervisory boards	Membership in comparable domestic and foreign supervisory bodies of commercial enterprises
Dr. Günther Bräunig	<b>Deutsche Telekom AG,</b> Bonn, Member of the Supervisory Board  <b>Deutsche Post AG,</b> Bonn, Member of the Supervisory Board	n/a
Dagmar P. Kollmann	<b>Deutsche Telekom AG,</b> Bonn, Member of the Supervisory Board	<b>Unibail-Rodamco-Westfield SE,</b> Paris / France, Member of the Supervisory Board  <b>Coca-Cola European Partners plc.,</b> London / United Kingdom, Member of the Supervisory Board  <b>Paysafe Limited,</b> Hamilton / Bermuda (in the future: London / United Kingdom), Non-Executive Director
Dr. Thomas Duhnkrack	<b>Hauck &amp; Aufhäuser</b> <b>Privatbankiers AG,</b> Frankfurt am Main, Member of the Supervisory Board	n/a
Oliver Puhl	n/a	n/a
Hanns-Peter Storr	<b>BHW Bausparkasse AG,</b> Hameln, Member of the Supervisory Board	n/a
Susanne Klöß-Braekler	<b>Oddo BHF AG,</b> Frankfurt am Main, Member of the Supervisory Board	n/a

Résumés of all those proposed for election are included as an annex to this agenda. You can also find these résumés as well as those of all current members of the Supervisory Board on the Company's website at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/).

### Information in accordance with recommendation C.13 of the German Corporate Governance Code

The Company has no knowledge of shareholders who directly or indirectly hold more than 10% of the voting shares in the Company. Thus, as far as the Company is aware, there are currently no significant shareholders within the meaning of recommendation C.13 sentence 3 of the German Corporate Governance Code. Hence, there is also no controlling shareholder within the meaning of recommendation C.9 of the German Corporate Governance Code.

The Company has no business relationships with the members of the Supervisory Board – with the exception of the service/employment contracts of the three Supervisory Board members elected by the employees. In particular, the Company does not grant the members of the Supervisory Board any loans. There are also no other personal or business relationships between members of the Supervisory Board on the one hand and the Company or its legal bodies (*Organe*) on the other hand, which, according to the Supervisory Board's assessment, an objectively judging shareholder would consider authoritative for his election decision.

Notwithstanding this, in the interests of transparency, the Company would also like to point out the following:

The proposed member of the Supervisory Board Dr. Günther Bräunig is a member of the board of directors of the federally owned KfW. As far as the Company is aware, the Federal Republic of Germany holds 3.5% of the shares in the Company via the FMS, which is administered by the Finanzagentur. Even though neither the Federal Republic of Germany nor KfW, Finanzagentur or FMS are shareholders that have a significant interest in the Company within the meaning of the recommendation C.13 sentence 3 of the German Corporate Governance Code, the Federal Republic of Germany, nevertheless, has a certain influence on the Company, in particular as a result of the contracts concluded in the course of the stabilization of the Company following the financial market crisis in the years 2008 to 2015 as well as related legal regulations, such as the Stabilization Fund Act (*Stabilisierungsfondsgesetz*) and the Economic Stabilization Acceleration Act (*Wirtschaftsstabilisierungsbeschleunigungsgesetz*). As a result of the stabilization measures granted to it by the Federal Republic of Germany, the Company has various contractual and/or legal relationships with Finanzagentur (as the legal successor to the former FMSA), FMS, FMS-Wertmanagement AöR, Munich (including their downstream affiliated companies such as DEPFA BANK plc., Dublin/Ireland, and FMS Wertmanagement Service GmbH, Munich), as well as Hypo Real Estate Holding GmbH, Munich.

The Company has a large number of business relationships that are typical for a credit institution, in particular with syndicated loans, financing, the support for Pfandbrief issuances and other issuances, with KfW, whose chairman Dr. Günther Bräunig is, as well as with KfW IPEX-Bank GmbH, Frankfurt am Main, which is a subsidiary of KfW. All of these relationships are based on market conditions.

Apart from that, the persons proposed for election by the Supervisory Board have no personal or business relationships with the Company, the members of the Company's legal bodies (*Organe*) and its shareholders which, according to the Supervisory Board's assessment, an objectively judging shareholder would consider authoritative for his election decision.

According to the Supervisory Board's assessment, with the exception of Mr. Dr. Günther Bräunig, all of the persons proposed for election are independent from the Company and the Management Board within the meaning of recommendation C.7 of the German Corporate Governance Code. According to the Supervisory Board's assessment, the minimum proportion of independent shareholder representatives provided for in recommendations C.6 and C.7 of the German Corporate Governance Code is thus fulfilled.

Further information on the competency profile for the Supervisory Board and the status of its implementation as well as on the working methods and composition of the Supervisory Board can be found in the Corporate Governance Statement and the Report of the Supervisory Board. These can be found as part of the documents to be submitted under Agenda item 1.

### III. Information concerning Agenda item 7

#### A. Basic features of the remuneration system

##### 1. Components of the remuneration system

The remuneration of the members of pbb's Management Board consists of non-performance related fixed remuneration components and performance-related variable remuneration.

The non-performance related fixed remuneration components comprise the basic annual remuneration as well as fringe benefits (in particular non-cash benefits) and the Company's pension scheme.

The performance-related variable remuneration is granted in cash, with half of the amount depending on pbb's share price performance (share-based remuneration system).

##### 2. Review of the appropriateness of the remuneration system

In principle, the remuneration for the members of the Management Board is designed to ensure a performance-oriented payment, taking the Company's size and international business activities into account. The remuneration is compared, on the one hand, against the remuneration paid to members of the Management Board at comparable companies in Germany and abroad (horizontal remuneration comparison based on the remuneration paid to members of the Management Board) and, on the other hand, against the remuneration paid to those employees who report directly to the members of the Management Board (second level of management), as well as that paid to other employees within pbb Group (vertical remuneration comparison). The economic and financial situation of pbb Group is also taken into account when determining the remuneration.

As part of the vertical remuneration comparison, the Supervisory Board generally includes the remuneration paid to pbb Group's senior management team, i.e. employees at the second level of management. It also looks at the remuneration paid to employees not covered, as well as those covered, by collective wage agreements. In its vertical comparison, the Supervisory Board checks whether there are any signs that the remuneration of the Management Board could be classified as inappropriate based on the pay difference between the Management Board and the workforce.

The Supervisory Board also takes care to ensure that the remuneration system for the members of the Management Board has a largely similar structure to the remuneration system for all employees in Germany and abroad. As a result, and with the exception of deviations required under supervisory law, the structure of the variable remuneration system for the members of the Management Board largely matches the structure of the variable remuneration paid to employees not covered by collective wage agreements who could exert a significant influence over the Bank's risk profile ("risk takers").

##### 3. Contribution to promoting the corporate strategy and the Company's long-term development

The remuneration system and the remuneration strategy are integral components of the business and risk strategy. The remuneration strategy sets out the framework for the performance and remuneration of the members of the Management Board. The remuneration strategy was developed as part of the business and risk strategy, involving all of the relevant business divisions and the Remuneration Officer. It was last updated on 6 November 2020.

The system aims to guarantee a performance-oriented and appropriate remuneration which is aligned with achieving the targets enshrined in the business and risk strategy. It reflects the basic principle of appropriateness regarding the amount and structure of individual remuneration components. Another goal is to avoid incentives for taking disproportionately high risks.

Within the performance-related variable remuneration system, performance measurement at the level of pbb as an institution (“institution’s performance”) represents an integral part of business management targeted towards a sustainable enhancement of profitability, whilst maintaining pbb Group’s strict risk policy. Referring to performance measurement at institutional level, particular attention is given to (key) performance indicators – as defined within the business and risk strategy as well as business planning – which particularly reflect the defined business and risk strategy, fulfil all regulatory requirements regarding risk, capital and liquidity, and are transparent as well as comprehensible.

The institution’s performance is measured based on the key control parameters of (adjusted) profit before tax and the risk-reward ratio, each of which is assigned a 50% weighting. The average performance of the institution, measured on the basis of these key performance indicators for the remuneration year in question and for the two preceding financial years, defines the total amount of variable remuneration available for disbursement. Hence, variable remuneration for members of the Management Board is directly linked to – and driven by – the business and risk strategy. Moreover, this ensures compatibility of the remuneration system with pbb Group’s capital and liquidity planning, as stipulated in the applicable regulatory requirements. The target achievement level for the institution’s performance is assigned a weighting of 60% when measuring performance. The target achievement level at the level of the institution that is relevant to variable remuneration depends on the achievement of the institution’s targets for three financial years, i.e. for the remuneration year concerned and the two preceding financial years, with each year being assigned a weighting of one-third.

Performance measurement comprises two other performance levels: divisional performance and individual performance. Targets for these subsequent performance levels are derived from the business and risk strategy. The performance criteria, which are set by the Supervisory Board for the divisional and individual targets and which are to be agreed with the members of the Management Board, are also based on the long-term and sustainable business strategy, i.e. they support pbb Group’s strategic objectives. The annual targets for variable remuneration promote pbb Group’s long-term and sustainable development. The financial and non-financial performance criteria include strategic targets relating to new business, risk management, digitalisation and funding, as well as environmental, social and governance (ESG) targets. These include, *inter alia*, specific environmental sustainability targets (e.g. with regard to the further development of green building criteria or the expansion of green financing) and on talent acquisition and promotion, promotion of women and human resources development. Divisional and individual performance is assigned a combined weight of 40%.

Further details on performance measurement and the performance criteria set by the Supervisory Board may be found in the section entitled “Remuneration system in detail”.

The (disbursement) structure of variable remuneration also takes pbb Group’s long-term and sustainable development into account. 60% of the variable remuneration is subject to pro rata vesting with a total deferral period of five years (“deferral portion”). When granting deferral portions at the end of the annual deferral period, the Supervisory Board takes into account – as part of a retrospective review – any subsequent negative deviations affecting the performance of the institution, the organisational unit, or the individual member of the Management Board (back-testing). The Supervisory Board also considers any unethical behaviour and a breach of duties, as well as negative performance contributions within the meaning of section 18 (5) InstVergV (malus test). In particular in the event of serious misconduct on the part of a member of the Management Board, the Supervisory Board has the option to cancel variable remuneration components that have not yet been paid out, or to claw back paid-out variable remuneration components from the member of the Management Board concerned (malus and clawback regulation). These aspects reinforce and incentivise the long-term

nature and sustainability of target achievement. Further details on the (disbursement) structure and the malus and clawback regulations are set out in the section entitled "Remuneration system in detail".

In addition, a total of 50% of the variable remuneration is share-based, in the sense that the amount initially determined by the Supervisory Board following the calculation of the target achievement level and the decision to grant a deferral portion depend on pbb's share price performance during a one-year holding period, and is converted into a cash payment based on pbb's share price at that time once this holding period has expired. This supports the sustainable and long-term development of the Company as well as strengthening the extent to which the members of the Management Board identify with the Company. Further details on the share-based structure may be found in the section entitled "Remuneration system in detail".

## **B. Remuneration system in detail**

### **1. Non-performance related fixed remuneration**

The non-performance related fixed remuneration components comprise the basic annual remuneration, fringe benefits (in particular non-cash benefits) and the Company's pension scheme.

The basic annual remuneration is a fixed annual salary that is paid out in twelve equal monthly instalments. It is reviewed, and adjusted if appropriate, at regular intervals, using an external market survey. No automatic adjustment will take place.

In addition, pbb grants fringe benefits (non-cash benefits) to the members of the Management Board which are within the customary scope. This particularly includes the following fringe benefits: pbb provides each member of the Management Board with a company car and a driver, also for their personal use, and assumes all of the costs incurred in this regard. In addition, the members of the Management Board are included in pbb's D&O insurance scheme. pbb reimburses the members of the Management Board for the employer's contribution to health and long-term care insurance. Relocation costs are assumed to the extent, and in the amount, that is customary, in particular in cases involving new hires. In case of a dual residence, pbb covers the travel expenses for one trip home per week to their previous place of residence, as well as the costs for a second home at their place of work for a period that is generally limited to two years. Moreover, the Company has taken out a group accident insurance policy for the members of the Management Board (providing death and invalidity cover).

The members of the Management Board are also entitled to company pension benefits which are described in a separate section below.

### **2. Performance-related variable remuneration**

The performance-related variable remuneration system is described in detail below. In particular, this information clarifies the link between the achievement of the performance criteria and the defined variable remuneration amount, any remuneration amount that may be redefined following backtesting and the malus test, and the amount paid out as part of the variable remuneration system. The information also explains when and in what form members of the Management Board have access to variable remuneration components that have been set.

The variable remuneration is determined on the basis of an individual calculatory reference value agreed with each member of the Management Board in his or her service contract. The calculatory reference value is shown as an annual amount. This is a calculated value that reflects the amount of the allocation of variable remuneration on the basis of 100% target achievement at the three relevant levels, i.e. the institution's performance, the performance of the organisational unit (the member of the

Management Board's respective division) and the member of the Management Board's individual performance. If the employment relationship is established or terminated during the year, the calculatory reference value is reduced accordingly *pro rata temporis*. This also applies to any periods of absence due to illness or for other reasons during which there is no statutory or contractual entitlement to continued salary payments, as well as to periods during which the employment relationship is suspended.

### **Target-setting process**

Before the start of every financial year, the Supervisory Board sets targets for the members of the Management Board. As described under A. 3. above, these targets are set based on the business strategy and the multi-year plan, and are aimed at ensuring success-oriented, sustainable and long-term corporate management.

### **Institutional target**

Before the start of every financial year, the Supervisory Board sets the institutional target for all members of the Management Board based on the proposal put forward by the Remuneration Committee and defines the target value for 100% target achievement.

The performance of the institution is determined by adding together two equally weighted key control parameters, the target achievement levels for (adjusted) profit before taxes and the risk-reward ratio. The (adjusted) profit before tax reflects the profit before taxes, as reported in the financial statements (based on the audited and adopted consolidated financial statements in accordance with IFRS) and reflects the bank's overall performance, for which the Management Board is jointly responsible. The risk-reward ratio is calculated as the ratio between net margin multiplied by the average portfolio volume and divided by the risk-weighted assets, and reflects client profitability and risk allocation. The Supervisory Board sets the target for the institution's performance at the beginning of each financial year at the latest. The target for (adjusted) profit before tax is set as an amount in euros, while the target for the risk-reward ratio is expressed as a percentage.

The target achievement level at the level of the institution that is relevant to variable remuneration depends on the achievement of the institution's targets for the remuneration year concerned and the two preceding financial years, with each year being assigned a weighting of one-third.

With a weighting of 60%, the institutional target is the decisive factor for the overall target achievement level of the members of the Management Board in a given financial year.

### **Divisional/individual targets**

In addition to the institutional target, divisional and individual targets are agreed with each member of the Management Board in a target agreement. These contribute 40% to the overall target achievement level and are based on the institutional targets and the plans for the financial year in question in accordance with the long-term and sustainable business strategy.

The Supervisory Board defines quantitative and qualitative targets, the assessment basis and the target values that constitute 100% target achievement, as well as the weightings to be assigned to the targets, based on a proposal made by the Remuneration Committee. In general, equal weightings are assigned to the targets. The Supervisory Board may opt to change the target weightings for future assessment periods. The targets include strategic targets relating to new business, risk management, digitalisation and funding, as well as environmental, social and governance (ESG) targets. These include, *inter alia*, specific environmental sustainability targets (e.g. with regard to the further development of green building criteria or the expansion of green financing) and on talent acquisition and promotion, promotion of women and human resources development.

If no target agreement is entered into between the Company and the member of the Management Board, the Supervisory Board will set the divisional and individual targets unilaterally.

### **Target achievement**

After the end of every financial year, the Supervisory Board decides upon to which extent the targets have been achieved, based on a recommendation by the Remuneration Committee.

60% is allocated to the institution's performance, while 40% is allocated to the divisional and individual performance on a combined basis.

The target achievement level is calculated based on the calculation basis and the target values defined back when the targets were set.

The target achievement level at the level of the institution that is relevant to variable remuneration depends on the institution's performance for the remuneration year concerned and the two preceding financial years, with each year being assigned a weighting of one-third. The calculation is performed by comparing the planned target values against the actual values achieved for the financial year in question, based on the year-end results, and calculating the percentage target achievement level. An average percentage target achievement level is then calculated for the three relevant financial years.

In the event that extraordinary overall conditions arise that are beyond the Bank's control, the Supervisory Board may increase or reduce the target achievement level at the institutional level by up to 20 percentage points in order to neutralise positive as well as negative effects on the target achievement level as appropriate (so called "modifiers"). The list of modifiers, *inter alia*, includes: short-term changes of regulatory requirements considered material to pbb Group, short-term fundamental macroeconomic events, foreign trade limitations and one-off effects due to the acquisition or disposal of material business units, particularly in the case of M&A activities triggered externally.

The target achievement level at the divisional and individual level is determined separately for each target. For the quantitative targets, this is generally done by comparing the defined target value for 100% target achievement with the actual values achieved. For qualitative targets, the procedure involves the Supervisory Board evaluating the performance on the basis of the target value for 100% target achievement that was set in advance. The average percentage target achievement level for each member of the Management Board is calculated for each target at the divisional and individual level.

Target achievement ranges from 0% to 150% at both the institutional and the divisional and individual level. The total target achievement level calculated based on these two components, however, is capped at 150%.

On the basis of the target achievement level at institutional, divisional and individual level as described above, a share of the calculatory reference value is calculated and allocated to each member of the Management Board as a variable remuneration amount for the financial year as follows (the Envisaged Personal Reward value, "EPR value"):

The first step involves calculating the total variable remuneration amount for the members of the Management Board. This means adding up the calculatory reference values for the members of the Management Board and multiplying the amount by the target achievement level at institutional level, i.e. by the average percentage target achievement level for the three relevant financial years. The

total variable remuneration amount so calculated is then allocated to the two levels of performance measurement, namely 60% to the institutional level ("institution pool") and 40% to the divisional and individual level ("division and individual pool").

In a second step, at the institutional level, the institution pool (60%) is allocated to the members of the Management Board, weighted based on the amount of the relevant calculatory reference value. At the joint divisional and individual performance level, the division and individual pool (40%) is distributed among the members of the Management Board, weighted based on the amount of the relevant calculatory reference value, and is then multiplied by the average percentage target achievement level for the individual targets at the divisional and individual level. If the division and individual pool is insufficient to account for the target achievement level measured for all targets at the divisional and individual level, *pro rata* reductions are to be applied accordingly.

In a third step, the EPR value is calculated for each member of the Management Board as the sum of the value at institutional level and the value at the joint divisional and individual performance level. In principle, the calculatory EPR value allocated to the individual member of the Management Board ranges between a minimum of 0% and a maximum of 150% of the relevant calculatory reference value.

When calculating the EPR value, the Supervisory Board also takes into account whether the respective member of the Management Board could be accused of any unethical behaviour or a breach of duties during the relevant assessment period. This inevitably leads to a reduction in the EPR value and cannot be offset by positive performance contributions.

In addition, the Supervisory Board reviews any negative performance contributions within the meaning of section 18 (5) InstVergV (malus test) and, in particular in the event of serious misconduct on the part of a member of the Management Board, has the option of reducing the EPR value to an appropriate extent and even to zero if necessary (malus and clawback regulation) (for details on the malus and clawback regulation, please refer to the section below).

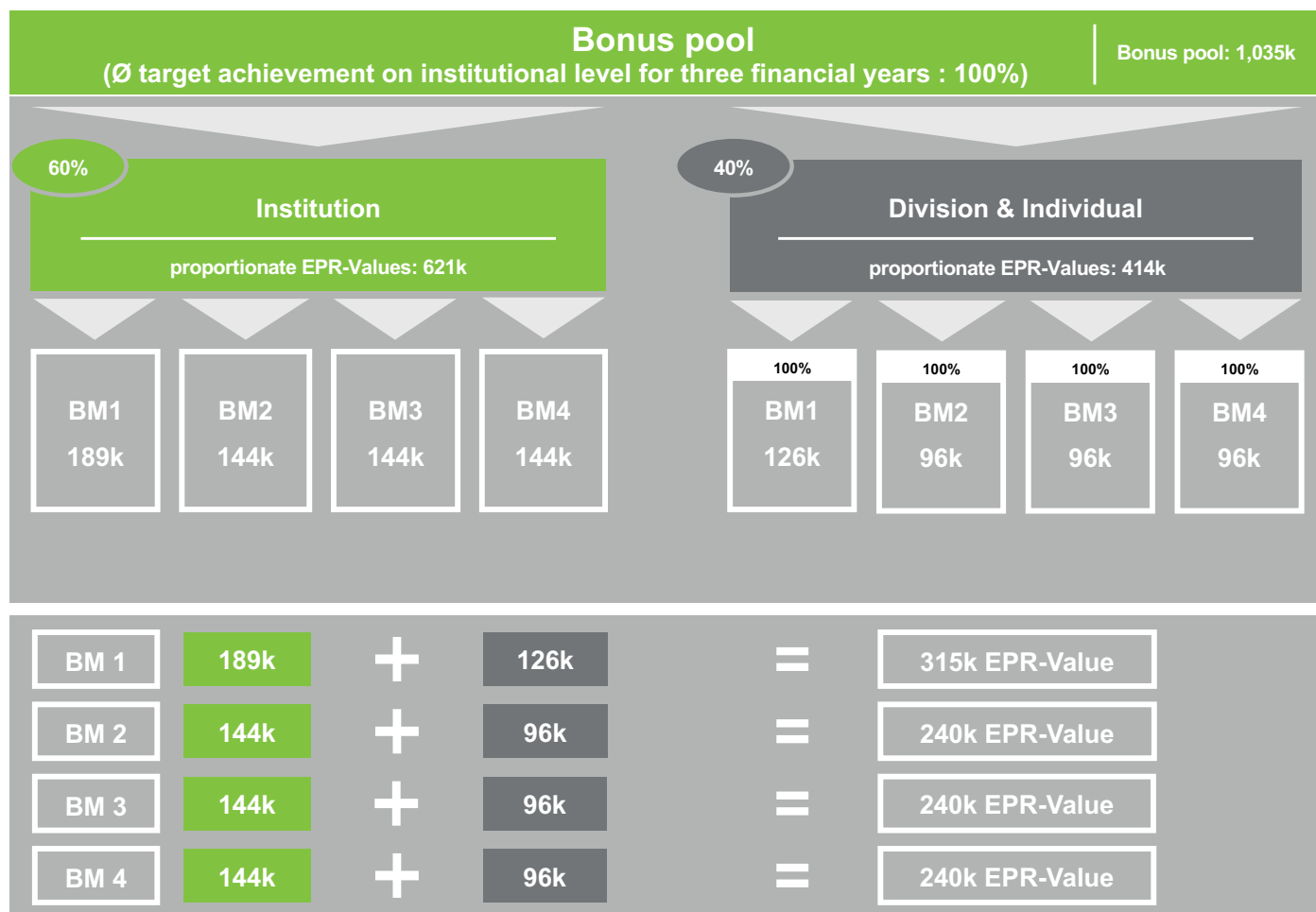
The Supervisory Board also reviews the financial conditions for disbursement in accordance with section 7 InstVergV. Based on this review, the Supervisory Board may reduce or cancel the variable remuneration due to a member of the Management Board.

If the calculation of the EPR value yields an exceptionally high value, the Company also checks its appropriateness on a case-by-case basis and is entitled to reduce the EPR value due to the respective member of the Management Board, taking into account the potential risk and in order to avoid reputational damage. The Supervisory Board may also limit the EPR value in the event of extraordinary developments (e.g. windfall profits).

According to section 25a (5) sentence 2 KWG, the variable remuneration may not exceed 100% of fixed remuneration. According to section 25a (5) sentence 5 KWG, pbb's Annual General Meeting may increase this threshold to 200% of fixed remuneration. However, no such resolution has been taken by pbb's Annual General Meeting to date.



**Figure 1: Calculation of the EPR value**  
 (sample calculation based on 100% target achievement at all levels of performance measurement)



BM = Board Member

**Examination of requirements according to section 7 InstVergV**

The granting and disbursement of variable remuneration to the members of the Management Board is subject to the prior determination of a total amount of variable remuneration by the Supervisory Board (taking into account the requirements of section 7 InstVergV). This amount is determined at the end of each financial year, within the framework of a formal and transparent process. pbb uses relevant recovery threshold values, as set out in the recovery plan, as indicators. If the requirements are met, a total amount is made available for variable remuneration. If the requirements are not met or are only met to a limited extent, the Supervisory Board has to reduce or cancel the variable remuneration.

**Disbursement structure: short-term and long-term variable remuneration**

As a significant institution in the meaning of section 17 InstVergV, pbb must in particular observe the requirements of section 20 InstVergV regarding variable remuneration of risk takers. Members of the Management Board are risk takers by definition.

The disbursement structure of the variable remuneration for members of the Management Board is therefore generally subject to the following conditions:

The EPR value is broken down into a disbursement portion and a deferral portion, whereby the purpose of the latter includes establishing a multi-year assessment basis and, thus, – just like the multi-year measurement of the institution's success – aligns the variable remuneration of the members of the Management Board with the Company's long-term and sustainable performance.

The disbursement for the members of the Management Board amounts to 40% of their personal EPR value, with the deferral portion amounting to 60%.

50% of the disbursement portion are generally paid out in cash at the end of the first half of the financial year following the remuneration year and in September of that year at the latest, provided that the disbursement conditions pursuant to section 7 InstVergV are met. The remaining 50% are disbursed after a holding period of one year, with the amount being adjusted in line with pbb's share price performance during the holding period (virtual shares; no physical share option programme). The respective amount is converted into the corresponding number of virtual shares at the start of the holding period. The calculation of the number of virtual shares is based on the average Xetra closing price of the pbb share in February of the year subsequent to the financial year for which the variable remuneration is granted (subscription price). The resulting number of virtual shares is automatically converted into a cash amount after a holding period of one year, and is paid out with the variable remuneration for the financial year following the remuneration year. The conversion is based on the average Xetra closing price of the pbb share in February of the disbursement year (disbursement price). The EPR value portions linked to the sustainability component are granted on the basis of the performance of the pbb share during the retention period.

The deferral period for the deferral portion due to the members of the Management Board is five years. In the five years following establishment of the EPR value, the Supervisory Board decides upon, every year, the granting of one fifth of the deferral portion. The beneficiary may not claim the relevant remuneration component until the end of each deferral period. As soon as the members of the Management Board have the right to claim a deferred remuneration component, half of the respective deferral portion is paid out in cash. Another retention period of one year applies to the other half of the respective deferral portion, during which it is subject to the sustainable performance of pbb's share according to the share-based sustainability component described earlier.

When granting or recalculating deferral portions at the end of the annual deferral period, the Supervisory Board takes the following aspects into account:

As part of a retrospective review of the variable remuneration (ex-post risk adjustment), the Supervisory Board checks any subsequent negative deviations affecting the performance of the institution, the organisational unit, or the individual member of the Management Board (back-testing). This retrospective performance evaluation allows the Supervisory Board to check whether the originally calculated target achievement level is still accurate in retrospect, e.g. whether risks have been underestimated or have not been identified or whether any unexpected losses have occurred. If the Supervisory Board finds that targets were missed in retrospect as part of the backtesting process, the deferral portion is to be reduced to the extent required to reduce the variable remuneration to the newly calculated level.

The Supervisory Board also checks whether the member of the Management Board could be accused of any unethical behaviour or a breach of duties during the relevant assessment period. This inevitably leads to a reduction in the deferral portion and cannot be offset by positive performance contributions.

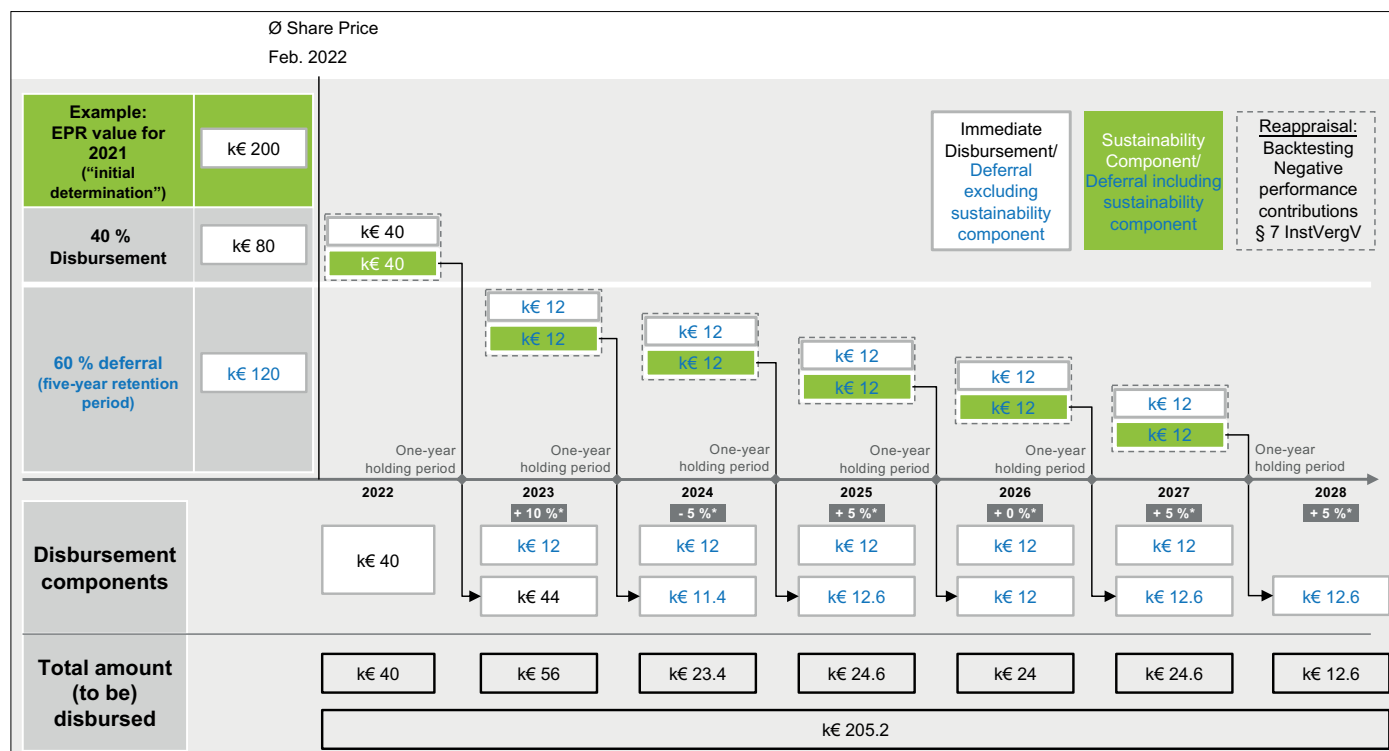
In addition, the Supervisory Board reviews any negative performance contributions within the meaning of section 18 (5) InstVergV (malus test) and, in particular in the event of serious misconduct on the part of a member of the Management Board, has the option to cancel variable remuneration components that have not yet been paid out, or to claw back paid-out variable remuneration components from the respective member of the Management Board (malus and clawback regulation) (for details on the malus and clawback regulation, please refer to the section below).

Finally, the Supervisory Board reviews the financial conditions for disbursement in accordance with section 7 InstVergV. Based on this review, the Supervisory Board may reduce or cancel the variable remuneration due to a member of the Management Board.

If a member of the Management Board ends his or her employment relationship as what is known as a “bad leaver”, pbb decides at its reasonable discretion whether, and to what extent, those deferral portions that have not yet been re-calculated at the time the notice of termination is received will be forfeited. A member of the Management Board is considered to be a bad leaver if his or her employment relationship ends (also) due to a legally effective extraordinary termination by the Company or due to an unjustified extraordinary termination by the member of the Management Board. If the employment relationship ends before the deferral portion has been paid out in full, without the member of the Management Board being qualified as a bad leaver, the rules on the disbursement structure and the due dates for payment remain unaffected.

In individual cases and to the extent that is permissible under supervisory law, the Supervisory Board may also, for the purposes of attracting new members of the Management Board, enter into agreements to compensate new members of the Management Board for remuneration entitlements they have forfeited under their previous employment relationships and/or agree on sign-on bonuses and/or an appropriate amount of guaranteed variable remuneration with the new member of the Management Board.

Figure 2: Disbursement system for variable remuneration for members of the Management Board



\*Within the framework of the sustainability component, variable remuneration is adjusted in line with the share price performance, which may have developed positively or negatively. Both positive and negative developments were used for the purposes of the example shown.

### Malus and clawback

pbb has concluded an agreement with the members of the Management Board regarding clawbacks of variable remuneration ("Clawback Agreement"). Under this agreement, all entitlements to payment of variable remuneration for the relevant assessment period that have not yet been paid out lapse, or the member of the Management Board is obliged to pay back the variable remuneration already paid out for the relevant assessment period, if he or she was significantly involved in, or responsible for, any behaviour which led to considerable losses or material regulatory sanctions for the bank. The same applies if a member of the Management Board breached external or internal provisions related to suitability and conduct to a serious degree. pbb may claw back variable remuneration already paid out up to two years after the end of the retention period for the financial year concerned. In its specific implementation of the InstVergV criteria for clawback purposes, pbb Group considers and applies all regulatory requirements, taking the distinctive features of pbb Group's business model and risk profile into account, and reflecting the overall sustainability aspects of the Company's performance – as well as the synchronisation of Company performance and bonus payments.

### 3. Company's pension scheme

The Company's pension scheme for members of the Management Board includes an individual contractual defined benefit pension commitment for retirement benefits and covers cases of occupational and general disability, for members of the Management Board who had already been appointed as at 31 December 2015, i.e. for Andreas Arndt, Thomas Köntgen and Andreas Schenk. For members of the Management Board appointed for the first time from 1 January 2016 onwards, i.e. for Marcus

Schulte, as well as for future new hires, individual contractual defined contribution pension commitments are granted for retirement benefits and covers cases of occupational and general disability.

The defined benefit commitments grant the members of the Management Board a pension for each completed year of service based on an individually agreed percentage of their basic annual remuneration. The pension is capped at an individually agreed maximum percentage of the basic annual remuneration. The pension entitlements are considered to be immediately vested. They may be drawn once the member has reached an individually agreed age. However, they shall be suspended as long as (and to the extent that) the service contract continues beyond this age.

For defined contribution plans, an annual pension contribution is agreed with the member of the Management Board in an individual agreement. The pension entitlements may be drawn upon once a certain age has been reached.

#### **4. Target total remuneration: relative remuneration shares**

The Supervisory Board defines a target total remuneration amount for each member of the Management Board based on the requirements set out in the GCGC. This amount must be commensurate with the member of the Management Board's tasks and performance, as well as the Company's overall situation, and must not exceed the usual level of remuneration without specific reasons. The target total remuneration is the sum of all remuneration amounts paid in a financial year (including pension and fringe benefits). The performance-related variable remuneration is based on the target amount in the event of 100% target achievement, i.e. the calculatory reference value.

The relative shares attributable to the fixed and variable remuneration components are presented below in relation to the target total remuneration.

For the Chairman of the Management Board, the share of fixed remuneration (basic annual salary, company pension expenses and fringe benefits) amounts to approximately 74% to 83% of the target total remuneration, while the share of variable remuneration ranges from 17% to 26% of the target total remuneration.

For ordinary members of the Management Board, the share of fixed remuneration (fixed salary, company pension expenses and fringe benefits) amounts to approximately 71% to 87% of the target total remuneration, while the share of variable remuneration ranges from 13% to 29% of the target total remuneration.

The percentages shown above may differ slightly for future financial years depending on how the expenses for contractually promised fringe benefits develop, and for any new hires. In addition, the percentages shown may differ in the event that payments are made to new hires when they take up their positions (agreements to compensate for forfeited remuneration entitlements under a previous employment relationship and/or sign-on bonuses and/or guaranteed variable remuneration).

#### **5. Maximum remuneration**

The Supervisory Board has set a maximum remuneration amount for the members of the Management Board.

The maximum remuneration is the maximum total remuneration to be granted in a given financial year, i.e. the sum of all remuneration amounts paid for the financial year in question, including the basic annual salary, performance-related variable remuneration, company pension expenses and fringe

benefits, regardless of whether the remuneration amounts are to be paid out in this financial year or at a later date. Consequently, the maximum remuneration limits the maximum actual amounts disbursed for all remuneration components in the financial year concerned ("actual disbursement cap").

The maximum remuneration does not represent the level of remuneration that the Supervisory Board is aiming for, or the level that is necessarily considered appropriate. It merely sets an absolute upper limit to avoid disproportionately high remuneration for members of the Management Board. Thus, it is to be clearly distinguished from the total target remuneration.

The maximum remuneration is EUR 2,200,000 for the Chairman of the Management Board and EUR 2,000,000 for ordinary members of the Management Board. Should the maximum remuneration for a financial year be exceeded, the disbursement amount of performance-related variable remuneration for the financial year in question will be reduced accordingly.

The maximum remuneration may deviate from the defined maximum remuneration in the first twelve months after a new member of the Management Board takes up his or her position if, in individual cases in the interests of attracting new members of the Management Board and to the extent that is permissible under supervisory law, the Supervisory Board enters into agreements to compensate new members of the Management Board for remuneration entitlements they have forfeited under previous employment relationships and/or agrees on sign-on bonuses and/or an appropriate amount of guaranteed variable remuneration with the new members of the Management Board.

Irrespective of the defined maximum remuneration, the disbursement amounts for performance-related variable remuneration are also capped at 150% of the individually agreed calculatory reference value in any given calendar year.

Pursuant to section 25a (5) sentence 2 KWG, the variable remuneration must not exceed 100% of the fixed remuneration unless the threshold is increased by way of a resolution passed by the Annual General Meeting. Pursuant to section 5 (5) sentence 3 InstVergV, guaranteed variable remuneration (including sign-on bonuses) may be disregarded when calculating the ratio of variable to fixed annual remuneration pursuant to section 25a (5) sentence 2 KWG if this remuneration was promised before the individual took up his or her position.

## C. Remuneration-related legal transactions

### 1. Terms of, and requirements for, terminating remuneration-related legal transactions

The service contracts of the members of the Management Board are valid for the duration of the current appointments. At the time of the resolution on the remuneration system, the service contracts had the following end dates:

Service contract with Andreas Arndt:	14 April 2022
Service contract with Thomas Köntgen:	11 May 2026
Service contract with Andreas Schenk:	14 December 2025
Service contract with Marcus Schulte:	31 December 2026

The service contracts of the members of the Management Board neither contain a special right of termination in the event of a change of control nor a provision governing severance pay in such cases.

### 2. Severance payments

The service contracts entered into with the members of the Management Board do not include any clauses giving rise to severance payments. In the event that the appointment as a member of the Management Board is terminated prematurely without good cause, a cap of two years' remuneration (severance payment cap) applies to any severance payment agreed for members of the Management Board in such cases. Furthermore, the severance pay is limited to the extent that it must not exceed the remuneration due for the remaining term of the employment relationship.

The two years' remuneration is calculated as follows: The two years' remuneration represents twice the sum of the basic annual remuneration for the previous calendar year and the share of the calculatory variable remuneration (EPR value) attributable to the previous calendar year relating exclusively to the institution's performance (the "pro rata EPR value"). pbb may set the *pro rata* EPR value to be taken into account for a calendar year to a higher or lower level if, at the time the severance agreement is concluded or notice regarding the termination of the service contract is received, there are, in pbb's opinion, sufficient indications that the institution's performance in the current calendar year will be higher or lower than its performance in the previous calendar year.

## D. Procedure for establishing, implementing and reviewing the remuneration system for the Management Board

The Supervisory Board adopts a clear and comprehensible remuneration system for the Management Board. When deciding on an appropriate structure for the remuneration system, the Supervisory Board receives support from a Remuneration Committee established by the Supervisory Board.

The Remuneration Committee supports the Supervisory Board in ensuring that the remuneration system for the members of the Management Board has an appropriate structure, and prepares Supervisory Board resolutions on the remuneration of the members of the Management Board. This includes, in particular, the preparation of Supervisory Board resolutions regarding the determination of the total amount available for variable remuneration as well as the determination of appropriate performance criteria, performance contributions, performance and retention periods, together with the conditions for a partial reduction or full loss or the clawback of variable remuneration. In addition, the Remuneration Committee supports the Supervisory Board with a regular – at least annual – review considering the appropriateness of the regulations of the remuneration system established by the Supervisory Board. Within this context, the appropriateness of the remuneration system, the remuneration structure and the remuneration levels are reviewed every year, taking into account the development of the remuneration and employment conditions in accordance with section A. 2. The

Remuneration Committee also assesses the effects of the remuneration system on pbb Group's risk, capital, and liquidity management.

In addition, the Remuneration Committee supports the Supervisory Board in monitoring the proper inclusion of internal control instances and any other relevant areas in structuring of the remuneration systems. As part of its duties, the Remuneration Committee assesses the impact of remuneration systems on the bank's risk, capital and liquidity situation; it also ensures that remuneration systems are in line with (i) the bank's business strategy (which is aligned with the bank's sustainable and long-term development) and the risk strategies derived from such strategy, as well as (ii) the remuneration strategies at institutional and pbb Group level.

The recommendations made by the Remuneration Committee are discussed in detail by the Supervisory Board before a resolution is passed. If need be, the Supervisory Board may consult external advisors and an external remuneration expert. In such cases, the Supervisory Board takes care to ensure that the external remuneration experts and consultants are independent of the Management Board and takes precautions to avoid any conflicts of interest.

In the event of significant changes to the remuneration system, but at least every four years, the remuneration system is presented to the Annual General Meeting for approval. If the Annual General Meeting does not approve the remuneration system, a reviewed remuneration system is to be presented at the next ordinary Annual General Meeting at the latest.

The remuneration system applies to all members of the Management Board appointed at the time of the resolution, as well as to all new hires and reappointments. The Supervisory Board has agreed on corresponding amendments to the service contracts with the members of the Management Board.

The entire procedure for establishing, implementing and reviewing the remuneration system for the Management Board is governed by the Supervisory Board's rules on avoiding and dealing with conflicts of interest.

#### **E. Right to allow temporary deviations from the remuneration system**

The Supervisory Board may deviate temporarily from the remuneration system for the members of the Management Board (procedures and regulations on remuneration structure) and its individual components, as well as from individual remuneration components, or may introduce new remuneration components if this is necessary in the Company's long-term interest. Such exceptional cases exist in particular if deviations are reasonable for the implementation of regulatory or legal requirements or for the fulfilment of legal obligations.

In addition, the maximum remuneration and/or the relative weighting assigned to the remuneration components for any new hires may deviate in particular if, within the framework of the applicable regulatory requirements, agreements are reached to compensate for remuneration entitlements members have forfeited under a previous employment relationship with a third-party company that does not belong to pbb Group, and/or agrees on sign-on bonuses and/or on an appropriate amount of guaranteed variable remuneration.



## IV. Information concerning Agenda item 8

### 1. Statutory regulations on remuneration

Section 11 of the Company's Articles of Association reads as follows, taking into account the amendments proposed under Agenda item 8:

#### **„Section 11: Remuneration for the Supervisory Board**

(1) *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.*

*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 regulation according to this paragraph 1, which was revised by resolution of the Annual General Meeting on 12 May 2021, applies for the first time to the remuneration to be paid for the 2021 financial year.*

(2) *The Company may take out a liability insurance in favour of the members of the Supervisory Board up to an amount covered of EUR 200 million of annual aggregate liability which shall cover the legal liability arising from their activity for the Supervisory Board (including activity in committees of the Supervisory Board) and any legal liability for executive functions of the Supervisory Board members in subordinate affiliates. The costs of this insurance shall be borne by the Company."*

## 2. Explanation of the underlying remuneration system including information pursuant to sections 113 (3) sentence 3, 87a (1) sentence 2 AktG

The remuneration system for the members of the Supervisory Board on which the provisions of the Articles of Association are based is detailed as follows (information in accordance with section 113 (3) sentence 3 in conjunction with section 87a (1) sentence 2 AktG):

### a) Basics

The remuneration system for the members of the Supervisory Board provides for pure fixed remuneration. In addition to the basic remuneration, depending on the tasks assumed, there may be a fee for committee work and attendance fees. In addition, reimbursement of expenses is granted. Performance-based or share-based remuneration components are not provided.

Granting pure fixed remuneration corresponds to the prevailing practice in other listed companies and has proven itself. The Management Board and the Supervisory Board are of the opinion that a pure fixed remuneration of the Supervisory Board members is best suited to strengthen the independence of the Supervisory Board, to take into account the advisory and monitoring function of the Supervisory Board, which has to be fulfilled independently of the Company's success, and to avoid potential false incentives. A pure fixed remuneration of the members of the Supervisory Board is also provided for in the suggestion G.18 sentence 1 DCGK.

### b) Compensation components in accordance with section 11 of the Articles of Association

The annual remuneration for the individual member is EUR 35,000.00, for the chairman of the Supervisory Board EUR 80,000.00 and for his deputy EUR 50,000.00.

In accordance with recommendation G.17 DCGK, the time required for certain additional tasks is adequately taken into account. For membership in Committees, the following additional annual remuneration per Committee membership or chairmanship is granted, the amount of which is based on the experience of necessary preparation time and workload for the respective committee work:

- For membership in the Audit Committee and the Risk Management and Liquidity Strategy Committee of the Supervisory Board EUR 15,000.00 and for chairing the respective Committees EUR 30,000.00;
- For membership in other Committees of the supervisory board EUR 10,000.00 and for the chairmanship EUR 20,000.00.

In addition, the members of the Supervisory Board receive an attendance fee of EUR 500.00 each for each meeting of the Supervisory Board or a Committee of the Supervisory Board in which the members of the Supervisory Board participate, regardless of the chosen format of the meeting.

The upper limit of the remuneration results for the respective Supervisory Board member from the total of the fixed remuneration, the individual tasks assumed in the Supervisory Board or its Committees, and the attendance fee.

### c) Reimbursement of expenses, value added tax, D&O insurance

Expenses incurred by members of the Supervisory Board in the exercise of their office will be reimbursed by the Company to an appropriate extent. Furthermore, the Company may enter into a liability insurance in favor of the members of the Supervisory Board with a total insurance coverage amount of up to EUR 200 million p.a., which covers the statutory liability arising from Supervisory Board activities (including activities in Committees of the Supervisory Board) as well as, if applicable, the statutory liability for board functions of the Supervisory Board members in subordinated affiliated companies.

The Company bears the costs of this insurance. The members of the Supervisory Board receive their remuneration and their attendance fees plus statutory value added tax.

#### **d) Further remuneration-related regulations**

Base remuneration and attendance fees are paid out after the end of the respective financial year. The granting of remuneration is based on the duration of the appointment of the members of the Supervisory Board. Members of the Supervisory Board who belong to the Supervisory Board and/or a Committee of the Supervisory Board for only part of the financial year receive pro-rata remuneration. In this case, the annual remuneration is calculated to the exact day, including the day on which the mandate begins or ends.

There are no compensation-related agreements between the Company and the members of the Supervisory Board that go beyond the provisions of the Articles of Association. A shareholding obligation for members of the Supervisory Board is not provided. Compensation agreements for taking office, dismissal payments, and retirement and early retirement arrangements are also not provided.

### **3. Procedure for establishing and implementing as well as reviewing the remuneration system and dealing with conflicts of interest**

The Annual General Meeting resolves at least every four years on the remuneration of the members of the Supervisory Board and the remuneration system for the Supervisory Board. The corresponding resolution can also confirm the respective applicable remuneration. If the Annual General Meeting does not approve the proposed remuneration system, a revised remuneration system must be submitted at the latest at the following ordinary Annual General Meeting. The resolution and the remuneration system must be published immediately on the Company's website and must be kept publicly available free of charge for the duration of applicability of the remuneration system, but at least for ten years.

At regular intervals, but at least every four years, the Management Board and the Supervisory Board review whether the amount and structure of the remuneration are still in reasonable proportion to the tasks of the Supervisory Board and the situation of the Company. A comparison can be made with the remuneration regulations of comparable companies in order to ensure that the remuneration on the Company's Supervisory Board is in line with the market. Due to the specifics of the work of the Supervisory Board, a comparison with the remuneration of employees of the Company is not meaningful from the point of view of the Management Board and the Supervisory Board and is therefore generally not used. The Supervisory Board can, if necessary, seek advice from an external remuneration expert on this activity.

The statutory competency code counteracts any conflicts of interest when examining the remuneration system. The ultimate decision-making authority on the remuneration of the Supervisory Board is assigned to the Annual General Meeting. A resolution proposal is submitted by both the Management Board and the Supervisory Board, so that a system of mutual control is already provided for in the statutory regulations. In addition, the general rules for conflicts of interest in the Supervisory Board apply, according to which such conflicts must be disclosed and dealt with appropriately. If advice is sought from an external compensation expert, their independence shall be ensured.

## V. Additional information

### 1. Holding the Annual General Meeting as a virtual Annual General Meeting

The Company's Management Board, with the approval of the Supervisory Board, decided to hold the Annual General Meeting as a virtual Annual General Meeting without the physical presence of the shareholders or their authorized representatives ("Virtual Annual General Meeting"). The basis of the Virtual Annual General Meeting is the Act on Measures in Corporate, Cooperative, Association, Foundation and Residential Property Law to Combat the Effects of the COVID-19 Pandemic (article 2 of the Act on Mitigating the Consequences of the COVID-19 Pandemic in Civil, Insolvency and Criminal Procedure Law of 27 March 2020, Federal Law Gazette I 2020, p. 570), last changed by article 11 of the Act to Further Shorten the Residual Debt Discharge Procedure and to Adapt Pandemic-related Regulations in Company, Cooperative, Association and Foundation Law as well as in Tenancy and Patent Law of 22 December 2020 (Federal Law Gazette I 2020, p. 3328) ("Covid-19 Act").

A physical participation by shareholders or their proxies is therefore excluded.

The Annual General Meeting will be broadcasted for duly registered shareholders by audio-visual means live on the internet via the Online AGM Service ([www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/)) on **12 May 2021, starting at 10:00 hours (CEST)**. The live broadcasting does not allow for participation in the Annual General Meeting within the meaning of section 118 (1) sentence 2 AktG. The opening of the Annual General Meeting by the chairman of the meeting and the speech of the Chief Executive Officer can also be followed live by other interested parties on the internet at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/).

Further shareholder rights, in particular voting rights, can also be exercised via the Online AGM Service in accordance with the following conditions. Duly registered shareholders will receive personal access data required for the Online AGM Service with their voting card together with further information on using the Online AGM Service.

Shareholders or their authorized representatives can exercise their voting rights by postal vote (by electronic means or in paper form) or by authorizing of the Company Proxies as specified below. The intended votes on Agenda items 2 to 6 as well as 8 and 9 are binding; the one on Agenda item 7 is of a recommendatory nature. There is always the option to vote with yes, no or abstention.

Questions to the Management Board may be submitted to the Management Board electronically as described in more detail below until **11 May 2021, 12:00 hours (CEST)**.

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

All shareholders who have registered for the Annual General Meeting by no later than

**Wednesday, 5 May 2021, 24:00 hours (CEST)**

while providing proof of their share ownership, are entitled, pursuant to section 14 (5) of the Articles of Association, to participate in the Virtual Annual General Meeting by electronic connection and to exercise their voting rights either in person or through authorized representatives. Proof of such share ownership is required by the final intermediary in text form in German or English. This proof must refer to the existence of share ownership as of 21 days prior to the Annual General Meeting (record date), i.e. **Wednesday, 21 April 2021, 0:00 hours (CEST)**. The record date is the decisive cut-off date

for the determination of the shareholder status regarding the exercise of shareholder rights in the Annual General Meeting. According to section 123 (4) sentence 5 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 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, Annual General Meeting 2021, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany

or to the e-mail address

- [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de).

The time of receipt of the registration in the Company's mailroom is decisive for meeting the deadline.

We kindly ask shareholders wanting to participate in the Annual General Meeting or to exercise their voting rights to arrange for the required registration as well as proof of shareholding with their custodian bank in a timely manner.

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

### 3. Voting procedure

#### a) General

Once duly registered, you may exercise your voting rights by way of a postal vote, through Company Proxies or an authorized representative. In all of these cases, a timely and formal registration is required.

#### b) Postal vote

Shareholders who wish to exercise their voting rights by way of postal vote (also through electronic communication) must consider the following:

The Company offers an access restricted Online AGM Service at

[www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/)

for voting by (electronic) postal vote. You will receive the required personal access data with your voting card. Postal votes, including their changes and revocations, can be exercised via the Online AGM Service until the beginning of voting in the Annual General Meeting.

In addition, postal votes may be sent in, changed or revoked in text form until **Tuesday, 11 May 2021, 18:00 hours (CEST)** at the latest to the address

- Deutsche Pfandbriefbank AG, Annual General Meeting 2021, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany,

or under the e-mail address

- [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de).

You will receive a form for this purpose with the voting card. In addition, a universal postal vote form is available on the Company's website at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/). It will also be sent to you free of charge on request.

In all these cases, the time of receipt of the postal vote, its change or revocation in the Company's mailroom is decisive for meeting the deadline.

### **c) Voting by Company Proxies**

Shareholders may also opt to be represented by Company-appointed proxies bound by instructions ("Company Proxies"). 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 raise objections against Annual General Meeting resolutions or to ask questions or submit motions as well as to submit statements.

Powers of attorney and instructions for Company Proxies may be issued, amended or revoked in text form until **Tuesday, 11 May 2021, 18:00 hours (CEST)** at the latest to the address of

- Deutsche Pfandbriefbank AG, Annual General Meeting 2021, c/o Link Market Services GmbH, Landshuter Allee 10, 80637 Munich, Germany,

or under the e-mail address

- [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de).

In addition, it is also possible to grant power of attorney and to issue instructions to the Company Proxies via the access restricted Online AGM Service at

[www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/)

before and during the Annual General Meeting, but they must be received by the beginning of the voting at the latest. You will receive the access data required for the Online AGM Service with your voting card.

The time of receipt of the power of attorney, instruction, amendment, or revocation in the Company's mailroom is decisive for meeting the deadline.

### **d) Ranking of votes and other information on voting**

Please note that voting by way of postal vote, or when power of attorney and instructions are given to the proxies nominated by the Company, is only possible on those motions and election nominations in respect of which proposals by the Management Board and/or the Supervisory Board pursuant to section 124 (3) AktG, or of shareholders pursuant to section 124 (1) AktG were either included in this invitation to the Annual General Meeting or announced subsequently, or which are made available in accordance with sections 126 and 127 AktG. If separate votes are held on an Agenda item instead of collective voting, the declaration made on this Agenda item applies accordingly to each item of the individual vote. Postal votes or power of attorney and instructions that cannot be clearly assigned to a proper registration will not be taken into account.

If divergent, formally valid declarations are received via different transmission channels and it is not possible to determine which was submitted last, these declarations will be considered in the following order, with the first-mentioned transmission channel having priority in each case: (1) via Online AGM Service, (2) via e-mail, (3) in paper form. If postal votes and power of attorney/instructions to the Company Proxies are received, postal votes will always be given priority.

#### **e) Voting through an authorized representative**

Shareholders may also exercise their voting rights through other representatives to whom they have duly granted power of attorney. In this case, shareholders must consider the following:

If the power of attorney is not granted pursuant to section 135 AktG, 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 V. 3. b) of this invitation for registration purposes or directly to the authorized representative (in which case, proof of such authorization is required to be provided to the Company in text form). The same applies if a shareholder wishes to revoke a power of attorney.

Shareholders and their authorized representatives must submit the proof of authorization or of the revocation of the power of attorney no later than **Tuesday, 11 May 2021, 18:00 hours (CEST)** to the Company at any of the addresses set forth above under section V. 3. b) of this invitation for registration purposes.

If the power of attorney is granted pursuant to section 135 AktG (granting of power of attorney to intermediaries (in particular credit institutions), proxy advisors, shareholders' associations or commercial proxy services), it 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. In these cases, shareholders should consult with the person to be authorized as to the formal requirements of such power of attorney.

Authorized representatives (except for the Company Proxies) may not physically participate in the Annual General Meeting. They may only exercise the voting rights of the shareholders they represent by way of postal vote or by granting (sub-) authorization to the Company Proxies. The exercise of rights by authorized representatives by means of electronic communication via the Online AGM Service requires that the authorized representative receives the personal access data sent with the voting card from the person granting the power of attorney. The use of the personal access data by the authorized representative is also deemed to be proof of authorization.

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

#### **4. Shareholders' rights**

Shareholders' rights, before and during the Annual General 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) AktG**

Pursuant to section 122 (2) 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 (the latter 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 or in electronic form according to section 126a

of the German Civil Code (*Bürgerliches Gesetzbuch*, "BGB") (i.e. with qualified electronic signature), to the Management Board of

■ Deutsche Pfandbriefbank AG, Parkring 28, 85748 Garching, Germany,

or by e-mail (with qualified electronic signature) to

■ [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de).

The Company must receive such a request no later than **Sunday, 11 April 2021, 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 AktG applies. Furthermore, section 121 (7) 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 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 AktG.

If requests for an addition to the Agenda are to be announced in accordance with the above explanations, the attached resolution proposals made by duly registered and legitimized shareholders are deemed to have been submitted at the Annual General Meeting.

#### **b) Counter-proposals and nominations pursuant to sections 126, 127 AktG**

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 Meeting, they must be sent to the Company no later than 14 days prior to the Annual General Meeting, i.e. by **Tuesday, 27 April 2021, 24:00 hours (CEST)**, to the address of

■ Deutsche Pfandbriefbank AG, Investor Relations, attn. Mr. Michael Heuber, Parkring 28, 85748 Garching, Germany,

stating the reasons for them. 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. If one of the exclusions in accordance with section 126 (2) 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) 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.

According to section 127 AktG, these rules also apply, *mutatis mutandis*, to shareholder nominations for the election of members of the Supervisory Board and for the appointment of auditors. Shareholder nominations must also be sent exclusively to the addresses specified above under section V. 3. b)



by no later than 14 days prior to the Annual General Meeting, i.e. by **Tuesday, 27 April 2021, 24:00 hours (CEST)**. Such nominations need not be justified. In addition to the grounds defined in section 126 (2) 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. Proposals for the election of members of the Supervisory Board also do not need to be made available if they are not accompanied by information on the membership of the proposed Supervisory Board candidates in other statutory supervisory boards within the meaning of section 125 (1) sentence 5 AktG.

Counter-proposals and nominations to be made accessible are deemed to have been made in the General Meeting in accordance with section 1 (2) sentence 3 of the Covid-19 Act if the shareholder submitting the application or the nominee is properly legitimized and registered for the Annual General Meeting.

#### **c) Possibility to submit statements**

Due to the concept of the Virtual Annual General Meeting based on the Covid-19 Act, shareholders will not be able to comment on the Agenda at the Annual General Meeting. The Company therefore provides duly registered shareholders the possibility of submitting statements with reference to the Agenda for publication by the Company at the Online AGM Service prior to the Annual General Meeting. Shareholders who wish to submit a statement are requested to send it, including the name and the number of the voting card, to the Company in text form in German or English language, by **11 May 2021, 12:00 hours (CEST)** at the latest to the address of

- Deutsche Pfandbriefbank AG, Investor Relations, attn. Mr. Michael Heuber, Parkring 28, 85748 Garching, Germany,

or by e-mail to

- [inhaberaktien@linkmarketservices.de](mailto:inhaberaktien@linkmarketservices.de).

The length of a statement should not exceed 10,000 characters. The name of the submitting shareholder will be disclosed in the publication only if the shareholder has expressly agreed to such disclosure when submitting the statement.

This does not imply a right to have a submitted statement published. In particular, the Company reserves the right to refrain from publishing statements with offensive content, content that could qualify as a criminal offence, obviously false or misleading content or content without any reference to the Agenda of the Annual General Meeting. This also applies to statements the length of which exceed 10,000 characters or which have not been received by the Company in text form in German or English language by **11 May 2021, 12:00 hours (CEST)**. Furthermore, the Company reserves the right to publish only one statement per shareholder. The Company will decide whether published statements will remain accessible on the Company's website after the Annual General Meeting.

If shareholders wish to address questions to the Management Board of the Company, this is only possible by way of electronic communication via the Online AGM Service at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/) as described below under section V. 4. d) of this invitation.

**d) Right to disclosure / Right to ask questions pursuant to section 1 (2) sentence 1 no. 3, sentence 2 Covid-19 Act**

According to the Covid-19 Act, the shareholders are not entitled to disclosure within the meaning of section 131 AktG, but they are given the right to ask questions at the Annual General Meeting by means of electronic communication (section 1 (2) sentence 1 no. 3 Covid-19 Act).

With the approval of the Supervisory Board, the Management Board has decided that questions from shareholders duly registered can be addressed to the Management Board via the Online AGM Service at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/). Any other form of transmission is excluded.

Questions from shareholders must be received by the Company via the Online AGM Service by **11 May 2021, 12:00 hours (CEST)** at the latest. The Management Board decides at its due and free discretion how to answer those questions (section 1 (2) sentence 2 half-sentence 1 Covid-19 Act). In particular, it may summarize questions and their answers if this makes sense. Questions in foreign languages will not be considered. The Management Board reserves the right to answer recurring questions in general form in advance via the Online AGM Service. Furthermore, the Management Board intends to answer those questions from shareholders in advance, at the latest in the course of **10 May 2021**, which the Company receives by **6 May 2021, 24:00 hours (CEST)** via the Online AGM Service. If and to the extent that the shareholder asking the question does not explicitly object to an advance answer, such answer will be provided via the Online AGM Service by naming the respective shareholder. Even in the case of an advance answer via the Online AGM Service, the Management Board will answer these questions (again) during the Annual General Meeting.

**e) Objection to the minutes according to sections 245 no. 1 AktG, 1 (2) sentence 1 no. 4 Covid-19-Act**

Shareholders duly registered for the Annual General Meeting may declare objections to resolutions of the Annual General Meeting via the Online AGM Service at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/) for recording in the minutes in accordance with sections 245 no. 1 AktG, 1 (2) sentence 1 no. 4 Covid-19 Act. The declaration can be made via the Online AGM Service from the beginning of the Annual General Meeting until the end of the meeting. The notary has authorized the Company to accept objections via the Online AGM Service and will himself have access to the objections received.

**5. Information and documents on the Annual General Meeting; public broadcast and audio-visual recording; disclosure of the speeches by the Chairman of the Management Board and the Chairman of the Supervisory Board**

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

The main content of the speeches by the Chairman of the Management Board and the Chairman of the Supervisory Board will be made available at the Online AGM Service by **Wednesday, 5 May 2021** at the latest. The right to adapt to current developments is reserved. The opening of the Annual General Meeting by the chairman of the meeting and the speech of the Chief Executive Officer can also be followed live by other interested parties on the internet at [www.pfandbriefbank.com/investoren/hauptversammlung/](http://www.pfandbriefbank.com/investoren/hauptversammlung/). The speech of the Management Board will be recorded and made available on the same website after the Annual General Meeting.

After the Annual General Meeting, a confirmation of the counting of votes in accordance with section 129 (5) AktG will be automatically provided via the Online AGM portal, which can be downloaded within one month of the day of the Annual General Meeting.

## 6. Total number of shares and voting rights

At the time the Annual General Meeting was convened, the Company's share capital of EUR 380,376,059.67 was divided into 134,475,308 no-par value shares, each of which grants one vote. If the Company holds own shares directly or indirectly within the meaning of section 71d AktG, the Company has no rights arising from these shares pursuant to section 71b AktG. Treasury shares would therefore be neither entitled to vote at the Company's Annual General Meeting nor would they be entitled to dividends. At the time the Annual General Meeting is convened, the Company does not hold any own shares, either directly or indirectly, and does not intend to acquire own shares, either directly or indirectly, until the Annual General Meeting.

## 7. Information on data protection

The following is intended to provide you with information on processing of your personal data by the Company 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](http://www.pfandbriefbank.com/en/privacy).

The responsible data controller is Deutsche Pfandbriefbank AG, Parkring 28, 85748 Garching, Germany.

You can contact the data privacy officer of the Company by regular mail under the aforementioned address or by e-mail to [group.dataprotection@pfandbriefbank.com](mailto:group.dataprotection@pfandbriefbank.com).

With regard to the Virtual Annual General Meeting, the Company 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 voting card) 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 Virtual Annual General Meeting, in particular to exercise voting rights and to follow the complete audio-visual broadcast of the Virtual Annual General Meeting, and to conduct the Virtual Annual General Meeting. Legal Basis for the processing is article 6 (1) sentence 1 letter c) of the EU General Data Protection Regulation in conjunction with sections 118 et seqq., 67e AktG, section 1 Covid-19 Act and section 14 of the Articles of Association. In addition, data processing that is necessary for the organization of the Annual General Meeting (e.g. publication of pre-submitted comments on the agenda on the Online AGM portal) may be carried out on the basis of overriding legitimate interests (article 6 (1) sentence 1 letter f) of the EU General Data Protection Regulation). In general, the Company 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). Insofar as the processing of personal data is necessary for organisational reasons in order to conduct the Virtual Annual General Meeting, the legal basis for this is article 6 (1) sentence 1 letter f) of the EU General Data Protection Regulation.

The Company uses the services of external service providers and their subcontractors based in the European Union for the conduction of the Virtual Annual General Meeting. The service providers commissioned for the conduction of the Virtual Annual General 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 the Company and only to the extent that this is required for the execution

of the commissioned service. All employees of the Company and the employees of the commissioned service providers who have access to and/or process personal data of shareholders and shareholder representatives 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 AktG.

The Company 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 the Company 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.

If the legal basis for the processing of personal data is article 6 (1) sentence 1 letter f) of the EU General Data Protection Regulation, shareholders also have a right of objection under the statutory conditions.

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.

Garching, March 2021

Deutsche Pfandbriefbank AG

The Management Board

## Annex

## Résumés of the persons proposed to be elected to the Supervisory Board under Agenda item 5

## a) Mr. Dr. Günther Bräunig

**Date and place of birth:** 10 October 1955 / Wiesbaden

**Nationality:** German

**First appointment effective from:** 14 August 2009

**Professional career:**

1980 – 1982 Doctorate in Law, University of Mainz  
 1981 – 1983 Trainee lawyer at Wiesbaden district court  
 1984 – 1986 **Commerzbank AG**, Frankfurt am Main  
 Investment Banking Division, later Group Head  
 1986 – 1987 **Airbus Industrie**, Toulouse/France  
 Sales Finance Manager  
 1988 – 1989 **Airbus Industrie North America**, Washington, D.C./USA  
 Sales Finance Director  
 since 1989 **KfW**, Frankfurt am Main  
 1989 – 1993 Head of International Capital Markets Division  
 1993 – 1995 Head of Business Policy Division  
 1995 – 1996 Head of Strategic Planning Division  
 1996 – 2000 Head of Secretariat of Management Affairs  
 2000 – 2006 Executive Vice President, Head of Secretariat of Management Affairs  
 since 10/2006 Member of the Management Board  
 08/2007 – 10/2008 **IKB AG**, Düsseldorf  
 Chairman of the Management Board / assignment to the Management Board of KfW remained dormant during this time  
 09/2017 – 12/2017 **KfW**, Frankfurt am Main  
 Deputy CEO  
 01/2018 – 06/2021 CEO

**Education:** studied Law at the Universities of Mainz and Dijon

**Supervisory Board memberships and equivalent positions:**

Stock exchange listed companies: **Deutsche Post AG**, Bonn  
 Member of the Supervisory Board  
**Deutsche Telekom AG**, Bonn  
 Member of the Supervisory Board  
 Other companies: -none-

## b) Mrs. Dagmar P. Kollmann

**Date and place of birth:** 9 July 1964/Vienna/Austria

**Nationality:** Austrian

**First appointment effective from:** 14 August 2009

**Professional career:**

1989 – 1994 **UBS Phillips and Drew**, London/United Kingdom  
 1994 – 2001 **Morgan Stanley International Ltd.**, London/United Kingdom  
 Managing Director  
 2001 – 2008 **Morgan Stanley Bank AG**, Frankfurt am Main  
 since 2002 Member of the Management Board  
 since 2006 Chairman of the Management Board  
 2006 – 2008 **Morgan Stanley International Ltd.**, London/United Kingdom  
 Member of the Board of Directors  
 2006 – 2008 **Morgan Stanley & Co. International Ltd.**, London/United Kingdom  
 Member of the Board of Directors  
 2009 - 2015 **Hypo Real Estate Holding AG**, Munich  
 Deputy Chair of the Supervisory Board  
 Chair of the Audit Committee  
 since 2009 **Deutsche Pfandbriefbank AG**, Munich  
 Deputy Chair of the Supervisory Board  
 Chair of the Audit Committee  
 2010 – 2019 **Bank Gutmann AG**, Vienna/Austria  
 Member of the Supervisory Board  
 since 2012 **Member of the Monopolies Commission**, Bonn  
 2012 – 2021 **KfW IPEX Bank AG**, Frankfurt am Main  
 Member of the Supervisory Board  
 since 2012 **Deutsche Telekom AG**, Bonn  
 Member of the Supervisory Board  
 since 2014 Chair of the Audit Committee  
 since 2014 **Unibail-Rodamco-Westfield SE**, Paris/France  
 Member of the Supervisory Board  
 since 2019 **Coca-Cola European Partners plc**, London/United Kingdom  
 Member of the Supervisory Board  
 since 2021 **Paysafe Limited**, Hamilton/Bermuda (in the future: London/  
 United Kingdom)  
 Non-Executive Director

**Education:** Masters degree in Law, University of Vienna/Austria

**Supervisory Board memberships and equivalent positions:**

Stock exchange listed companies: **Deutsche Telekom AG**, Bonn  
 Member of the Supervisory Board  
**Unibail-Rodamco-Westfield SE**, Paris/France  
 Member of the Supervisory Board  
**Coca-Cola European Partners plc**, London/United Kingdom  
 Member of the Supervisory Board  
**Paysafe Limited**, Hamilton/Bermuda (in the future: London/  
 United Kingdom)  
 Non-Executive Director

Other companies: -none-

**c) Mr. Dr. Thomas Duhnkrack**

**Date and place of birth:** 12 June 1954 / Hamburg  
**Nationality:** German  
**First appointment effective from:** 21 July 2015

**Professional career:**

01/1984 – 12/2002	<b>Deutsche Bank Group</b>
1984 – 1985	Management Trainee
1985 – 1988	Deutsche Bank AG, Hamburg Deputy Branch Manager Altona
1988 – 1995	Deutsche Bank AG, Japan
1988 – 1989	Manager Corporate Banking, Tokyo / Japan
1990 – 1992	General Manager, Osaka and Member of the Japan Management Committee
1993 – 1995	General Manager Japan, Tokyo / Japan and Member of the Asia / Pacific Board, Singapore
1996 – 1998	Deutsche Bank AG, Hamburg Regional Head Corporate Banking Northern Germany
1998 – 2002	Member of the Divisional Board Corporate and Real Estate Finance, Frankfurt am Main and Member of the Corporate and Investment Banking Board (CIB), London / United Kingdom
01/2003 – 06/2009	<b>DZ BANK AG Deutsche Zentralgenossenschaftsbank, Frankfurt am Main</b> Member of the Management Board: Corporate & Structured Finance, Corporate Banking and Foreign Branches and Chairman of the Supervisory Boards of VR Leasing, Deutsche Genossenschafts-Hypothekenbank, DVB Bank, DZ Equity Partner
2010 – 2013	<b>Advent International</b> , Frankfurt am Main and London / United Kingdom Operating Partner
since 2011	<b>PREMIUM Equity Partners GmbH</b> , Frankfurt am Main Founding Partner

**Education:** Master of Business Administration (Diplom-Kaufmann), University of Hamburg  
 Doctorate in Business Administration, University of Hamburg

**Supervisory Board memberships and equivalent positions:**

Stock exchange listed companies: -none-  
 Other companies: **Hauck & Aufhäuser Privatbankiers AG**, Frankfurt am Main  
 Member of the Supervisory Board

**d) Mr. Oliver Puhl**

**Date and place of birth:** 27 October 1964 / Marburg  
**Nationality:** German  
**First appointment effective from:** 13 May 2016

**Professional career:**

1991 – 1996 **Drueker & Co. GmbH**, Frankfurt am Main  
Vice President  
Mergers & Acquisitions in engineering, facility management, food additives, laser, and clean room technology

1997 – 1998 **Huss Maschinenfabrik GmbH & Co. KG**, Bremen  
Chief Financial Officer  
Restructuring of private equity-owned engineering company

1998 – 2000 **Kinderwelt GmbH**, Frankfurt am Main  
Co-Founder, Managing Director  
Childcare start-up

2000 – 2014 **Morgan Stanley Bank AG**, Frankfurt am Main  
Managing Director, Senior Advisor  
Real estate investment banking in Germany, Austria, Northern Europe, CEE, SEE, Russia, and Israel

since 2014 **Puhl GmbH & Co. KG**, Frankfurt am Main  
Founder, Managing Director  
Real estate capital markets, M&A, and restructuring advice

since 2019 **westpol proptech investments GmbH & Co. KG**, Berlin  
Co-Founder

**Education:** Master of Business Administration (lic. oec. HSG), Hochschule St. Gallen (HSG), St. Gallen  
Master of Real Estate Economics ("Immobilienökonom ebs"), European Business School (ebs), Schloss Reichartshausen

**Supervisory Board memberships and equivalent positions:**

Stock exchange listed companies: -none-  
Other companies: **AVENTOS Capital Markets GmbH & Co. KG**, Berlin  
Limited Partner, Member of the Investment Committee



**e) Mr. Hanns-Peter Storr**

**Date and place of birth:** 11 October 1959 / Schwäbisch Gmünd  
**Nationality:** German  
**First appointment effective from:** 12 May 2021 (designated)

**Professional career:**

05/1987 – 12/1992	<b>Deutsche Bank AG, Stuttgart</b> Trainee, thereafter Executive Assistant
01/1993 – 12/1997	Credit Management, last position Director and Head of department for distressed companies
01/1998 – 07/1998	<b>Deutsche Bank AG, London / United Kingdom</b> Credit Risk Management
08/1998 – 12/1999	<b>Deutsche Bank AG, Hamburg</b> Deputy Head of Credit Analysis Region North
01/2000 – 05/2005	<b>Deutsche Bank AG, Stuttgart</b> since 02/2000 Member of the Management Board Region Southwest
06/2005 – 10/2007	<b>Deutsche Bank AG, Frankfurt am Main</b> Head of Workout Germany
11/2007 – 02/2011	<b>Deutsche Bank Privat- und Geschäftskunden AG,</b> Frankfurt am Main Member of the Management Board – Global Head of Credit for Private & Business Clients and for Private Wealth Management
03/2011 – 05/2018	<b>Deutsche Postbank AG, Bonn</b> Member of the Management Board – Chief Risk Officer
05/2018 – 03/2019	<b>Deutsche Bank Privat- und Geschäftskunden AG,</b> Frankfurt am Main Member of the Management Board – Chief Risk Officer <b>Deutsche Bank AG, Frankfurt am Main</b> Chief Risk Officer Private and Commercial Clients (PCB)

**Education:** Banker  
 Master of Business Administration (Diplom-Ökonom),  
 University of Hohenheim

**Supervisory Board memberships and equivalent positions:**

Stock exchange listed companies: -none-  
 Other companies: **BHW Bausparkasse AG, Hameln**  
 Member of the Supervisory Board  
 Chairman of the Risk and Audit Committee

**f) Mrs. Susanne Klöß-Braekler**

**Date and place of birth:** 11 May 1964 / Gießen-Lützellinden  
**Nationality:** German  
**First appointment effective from:** 12 May 2021 (designated)

**Professional career:**

11/1988 – 06/2011	<b>Accenture plc</b> , Dublin / Ireland last position: Managing Partner and Member of the Management Board Financial Services
since 09/2011	<b>Deutsche Bank AG</b> , Frankfurt am Main Managing Director
09/2011 – 03/2016	Global Head of Credit Products (Germany, Europe and Asia) Member of the PBC Global Executive Committee
09/2012 – 03/2016	Global Head of Deposits & Payments (Germany, Europe and Asia) and Global Head of Credit Products Member of the PBC Global Executive Committee
12/2012 – 05/2017	<b>Deutsche Postbank AG</b> , Bonn Member of the Management Board – Products & Postbank Direkt
06/2017 – 05/2018	Member of the Management Board – Private Banking (until legal merger; after that Member of the Management Board of successor institution DB Privat- und Firmenkundenbank AG)
05/2018 – 12/2019	<b>Deutsche Bank Privat- und Firmenkunden AG</b> , Frankfurt am Main Member of the Management Board – Private Banking Postbank
01/2020 – 09/2020	<b>Deutsche Bank Privat- und Firmenkunden AG</b> , Frankfurt am Main Member of the Management Board – Products, Process Management and Digitalization (until legal merger on 15 May 2020; after that Managing Director Deutsche Bank AG)
since 10/2020	<b>independent Supervisory and Advisory Board Member, Senior Advisor</b>

**Education:** Master of Business Administration (Diplom-Kauffrau), Universities of Gießen and Frankfurt am Main

**Supervisory Board memberships and equivalent positions:**

Stock exchange listed companies:	<b>Cembra Money Bank AG</b> , Zurich / Switzerland Member of the Board of Directors (designated, from 04/2021)
Other companies:	<b>ING-DiBa AG</b> , Frankfurt am Main Chairwoman of the Supervisory Board, Chairwoman of the Nomination Committee and of the Remuneration Committee (designated, from 04/2021) <b>Oddo BHF AG</b> , Frankfurt am Main Member of the Supervisory Board