



**DEUTSCHE
PFANDBRIEFBANK**

Annual General Meeting 2026

Deutsche Pfandbriefbank AG

Remuneration System

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Remuneration system for members of the Management Board from 2026

Pursuant to Section 120a (1) of the German Stock Corporation Act (AktG), the Annual General Meeting of a listed company shall resolve on the approval of the remuneration system for members of the Management Board whenever there is a material change to the system, but at least every four years.

The remuneration system currently in force for the members of the Management Board of Deutsche Pfandbriefbank AG ("pbb") was last approved by the 2021 Annual General Meeting in accordance with Section 120a (1) of the German Stock Corporation Act ("AktG") ("2021 Remuneration System").

At the 2025 Annual General Meeting, a revised version of the remuneration system for the Management Board was presented ("2025 Remuneration System"). Since this did not receive the required majority at the Annual General Meeting, the Supervisory Board did not implement the 2025 Remuneration System, meaning that the 2021 Remuneration System remained in effect in 2025.

The Supervisory Board thoroughly reviewed the criticisms raised regarding the Remunerations System and has further revised the proposed 2025 Remuneration System ("2026 Remuneration System").

The criticism expressed regarding the 2025 Remuneration System was expressly not directed against the fundamental concept of the 2025 Remuneration System and its stronger focus on long-term and sustainable value creation. The remuneration system, which has now been revised once again ('2026 Remuneration System') and is now being submitted for approval at the 2026 Annual General Meeting, therefore provides for the following once again:

The criticism leveled at the 2025 Remuneration System was expressly not directed at its fundamental concept or its stronger focus on the bank's long-term and sustainable performance. As a result, the following components of the 2025 Remuneration System were retained:

- Performance Share Plan with a forward-looking, three-year performance period based on virtual shares and deferrals
- Implementation of additional share-based performance targets as part of the long-term incentive (LTI)
- Amendment of the assessment criteria for the LTI with new metrics: RoTE (Return on Tangible Equity), risk-return ratio and relative TSR, as well as pbb's decarbonisation pathway

In addition, the concerns raised by investors regarding the following clearly defined aspects of the compensation system are now being addressed:

- Introduction of binding share ownership guidelines for members of the Management Board
- A more precise and restrictive structure for potential payments upon taking office in the case of new appointments
- A clearly defined and methodologically transparent framework for considering exceptional developments in the achievement of targets by Management Board members in accordance with the requirements of the German Corporate Governance Code
- A more narrowly defined deviation rule from the remuneration system

The aim of the adjustments is to further increase the transparency, predictability and consistency of the system whilst at the same time sustainably strengthening its strategic effectiveness.

The 2026 remuneration system is intended to come into force retroactively from 1 January 2026 for all members of the Management Board, subject to its approval by the Annual General Meeting.

A. Remuneration principles

The remuneration system for members of the Management Board is an integral part of the pbb Group's business and risk strategy. Decisions regarding the design of the remuneration system, as well as the structure and level of remuneration for members of the pbb Management Board, are guided by the following principles, which the Supervisory Board has also applied in its current review of the need for adjustments:

Remuneration Strategy	The remuneration strategy sets out the framework for the remuneration of the members of the Management Board . The aim of the remuneration strategy is to ensure appropriate and performance-based remuneration that is geared towards achieving the objectives enshrined in the business and risk strategy without taking or encouraging disproportionate risks.
Consideration of shareholders' interests	The structure of the Management Board's remuneration is in line with shareholders' interests in a long-term and sustainable remuneration structure and takes shareholders' feedback into account.
Pay for Performance	The individual and collective performance of the Management Board is assessed against ambitious short-term and long-term performance targets. These targets are transparent and clearly measurable.
Focus on long-term business success	<p>Performance-related variable remuneration is designed to strengthen the long-term and sustainable development of the pbb Group and is therefore predominantly equity-based. The LTI is weighted more heavily than the STI in the performance measurement, namely at 60%, whilst the STI accounts for a smaller share of 40%.</p> <p>The LTI is structured as a performance share plan with a three-year forward-looking measurement period, considering pbb's share price.</p> <p>60% of the specified total amount of performance-related variable remuneration is also subject to a deferral period of five years in total. During the deferral period, 1/5 of the deferred performance-related variable remuneration is subject to revaluation each year (pro-rata vesting). Furthermore, clawback provisions have been agreed with the members of the Management Board.</p> <p>50% of the total amount of performance-related variable remuneration is granted in the form of shares, the remaining 50% in cash.</p>
Performance-related variable remuneration	Performance-related variable remuneration is geared towards long-term and sustainable business success and the enhancement of the company's value. The focus is on ensuring pbb's sustainable profitability . At the same time, business management continues to be guided by a stringent risk policy .
Long-Term Incentive (LTI): Promoting the institution's sustainable success	Long-term performance measurement (LTI) is carried out at pbb's institutional level with a three-year, forward-looking assessment period . The key performance indicators of the pbb Group form the basis for measuring the institution's success . These are derived from the business and risk strategy and the resulting business planning. They meet the regulatory requirements regarding the consideration of risks, capital and liquidity. Accordingly, the RoTE is used as the key indicator for capital employed, the ERR as a risk metric and the relative TSR as the basis for relative performance measurement. To provide a stronger incentive for the sustainable development of pbb, the decarbonisation pathway is also used as a key performance indicator from the areas of environmental, social and governance (ESG).
Short-Term Incentive (STI): Taking departmental and individual targets into account	<p>Short-term performance measurement (STI) takes place at both the divisional and individual levels. To this end, quantitative and qualitative financial and non-financial targets are agreed between the Supervisory Board and the Management Board.</p> <p>The STI considers department-specific strategic priorities as well as the individual areas of responsibility of the Management Board members. These regularly include ESG targets.</p>

Share Ownership Guidelines	Members of the Management Board are generally obliged to acquire pbb shares amounting to at least 50% of their respective gross annual fixed remuneration and to hold them until the end of their term of office. The acquisition obligation is subject to a vesting period of currently five years. Members of the Management Board may use both shares they already hold and their variable remuneration to fulfil the acquisition obligation.
Compliance and Market Standards	Remuneration complies with legal and regulatory requirements. It considers current market best practice and is competitive.

B. Changes compared to the previous remuneration system

The 2026 remuneration system was designed against the backdrop of changing market practices among listed banks and the associated challenges for the long-term and sustainable orientation of the remuneration system. In addition, the elements of the 2025 remuneration system that were criticised by shareholders at the 2025 Annual General Meeting were addressed.

In detail, the Supervisory Board has made the following key changes:

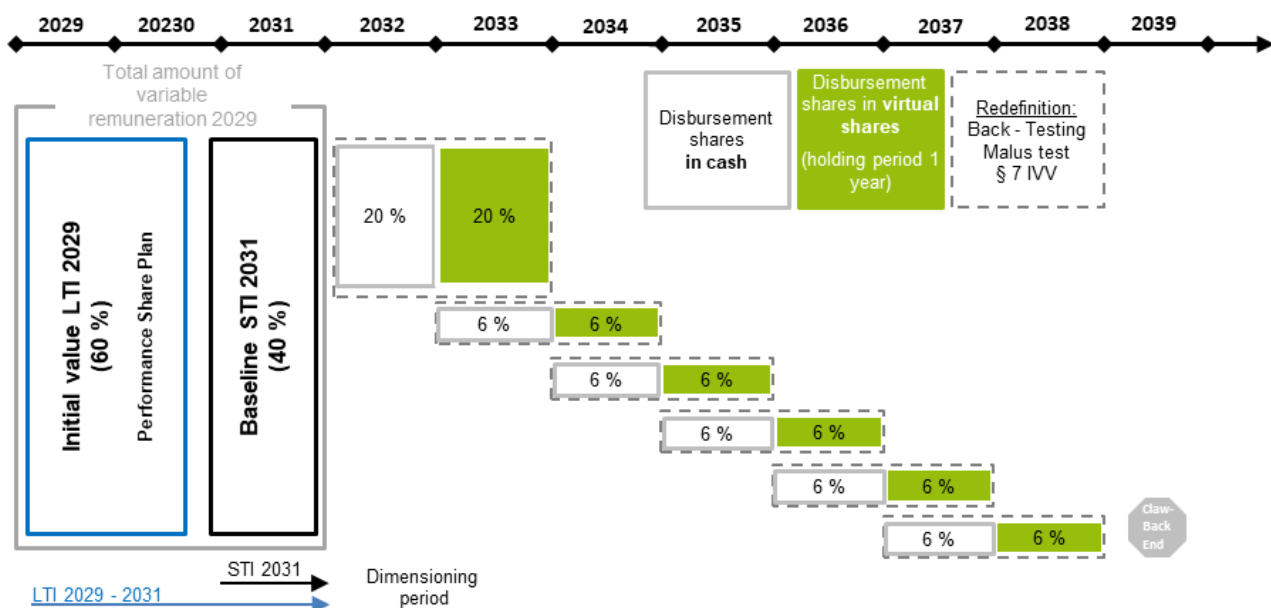
1. Restructuring of the LTI as a performance share plan and a forward-looking performance period

The previously backward-looking multi-year variable remuneration is gradually transitioning into a **forward-looking Long-Term Incentive (LTI)**. In order to align performance-related variable remuneration more closely with long-term and sustainable business development, a **Performance Share Plan** with a **three-year, forward-looking assessment period** (“performance period”) has been introduced as a Long-Term Incentive (“LTI”) in line with current market practice and is therefore share-based. This takes account of shareholder feedback and significantly strengthens the share-based variable remuneration. Furthermore, pbb complies with the requirement of the German Regulation on the Supervisory Requirements for Institutions’ Remuneration Systems (“IVV”) for a three-year measurement period as a general rule.

The three-year performance period leads to a payout based on a **five-year deferral structure** for **60% of the respective total amount of variable remuneration**. Half of the respective deferral portion is paid out in cash. The other half of the respective deferral portion is granted in **virtual shares** with an additional **one-year holding period**. The same applies to the remaining **40% of the respective total amount of variable remuneration**: one half is paid out directly in cash, the other half is initially granted in **virtual shares** with an additional **one-year holding period**.

This ensures full compliance with the requirements of Section 20 of the German Investment Fund Act (IVV) regarding performance-related variable remuneration for risk-takers. The remuneration system is intended not only to promote the long-term and sustainable development of the company, but also to prevent the taking of disproportionate risks that could adversely affect long-term business success.

This makes the **full amount of the variable remuneration** available after **nine years**; however, it remains subject to clawback provisions for a further period of one year.



2. Strategic realignment of the LTI through the introduction of a profitability metric and greater consideration of shareholder interests

In addition to the **risk-return ratio**, return on tangible equity (RoTE) and relative total shareholder return (**relative** TSR), as well as the **decarbonisation pathway** as an ESG target, will be implemented as further performance targets in the LTI.

RoTE (before tax) is pbb's key performance indicator for measuring the success of capital deployment within the framework of its business strategy. Furthermore, by adopting RoTE as a performance target, a key profitability metric relating to equity is taken into account.

By using the **relative TSR**, a relative performance measurement is integrated into the remuneration system in line with the interests of shareholders. This is intended not only to strengthen the alignment of interests between the Management Board and shareholders, but also to incentivise the long-term and sustainable management of the company.

With its **decarbonisation pathway**, pbb is actively aligning its financed property portfolio with climate targets. This represents a key ESG KPI for the bank. The aim is to take shareholder interests into account even more broadly and to strengthen pbb's sustainable corporate governance.

3. Further strengthening of equity-based remuneration compared to the previous remuneration system

In order to **strengthen equity-based remuneration** and align the interests of pbb's Management Board members more closely with those of the shareholders, variable remuneration is predominantly granted in the form of virtual shares. The equity-based portion of variable remuneration will be significantly increased compared to the remuneration system previously in place. This is because the LTI, and thus **60% of the variable target remuneration**, is structured as a **Performance Share Plan** and is therefore share-based. Furthermore, **50% of the total amount** consisting of the STI and LTI will continue to be granted **in the form of virtual shares** and is therefore also dependent on the performance of pbb's shares.

In revising the Management Board's remuneration system, particular focus was therefore placed on **redesigning the LTI and strengthening the share-based components of the variable remuneration**. The remuneration structure and its components have remained unchanged compared to the 2021 remuneration system. However, the introduction of a **Performance Share Plan with a forward-looking measurement of performance targets** means that the Management Board remuneration has now a **stronger long-term focus**. This significantly enhances the **equity-based component**, which was already substantial in the 2021 remuneration system, and achieves a clearer alignment of Management Board remuneration with the long-term success of the bank and the share price.

Using the remuneration of an ordinary member of the Management Board as an example, the remuneration structure is therefore as follows:

	Current system		New system	
	Pensions	unchanged	Pensions	
Current LTI • Measurement backward-looking over 3 years • Success Targets: earnings before taxes and risk/return ratio (equally weighted)	LTI	new	LTI	LTI New • Measurement forward-looking over 3 years • New success targets: RoTE , risk/return ratio equally weighted with 1/3, relative TSR und decarbonisation pathway equally weighted with 1/6 as part of a performance shareplan
	STI	unchanged	STI	
	Basic annual remuneration	unchanged	Basic annual remuneration	

4. Implementation of Share Ownership Guidelines (SOG)

In order to comply with standard market practice and to take into account investors' comments, Share Ownership Guidelines will be introduced.¹

Under these guidelines, the relevant Management Board member is obliged to acquire and hold, within a **five-year vesting period** and until the end of their term of office as a Management Board member, a minimum holding of shares in the company equivalent to **at least 50% of the agreed gross annual base remuneration ('personal investment amount')**. During the first four years of the build-up phase, the Management Board member must acquire shares in an amount corresponding to at least 15% of the personal investment amount per year ("**minimum investment**"). Furthermore, during the build-up phase, **earned portions of the variable remuneration** may be used **to meet the personal investment amount**.

5. Payments upon commencement of employment only as compensation for the forfeiture of lost variable remuneration

Upon the initial appointment of Management Board members, payments upon assuming office may only be granted as compensation for the forfeiture of benefits from the previous employer ("**compensation payments**"). These compensation payments may be granted entirely in shares and, at the request of the Management Board member, may be credited against the Management Board member's personal investment amount under the SOG.

¹ This will apply to all new appointments or reappointments of members of the Management Board made following the approval of the 2026 remuneration system.

6. Overview of the changes

The following table provides an overview of the key changes to the new 2026 remuneration system compared with the 2021 remuneration system previously in use:

Remuneration system 2021	Component	Remuneration system 2025
Fixed annual salary paid in twelve equal monthly instalments	Basic annual remuneration	<i>unchanged</i>
Especially: - Company car or economically equivalent payment - D&O insurance - Allowances for health and long-term care insurance - Assumption of relocation and travelling expenses as well as costs for a second home - Group accident insurance (death and disability)	Fringe benefits	- due to the abolition of company cars at pbb economically equivalent payment <i>unchanged</i>
Defined contribution, reinsured individual contractual pension commitments for retirement benefits and - depending on the structure - in the event of occupational disability or incapacity to work (for new appointments and extensions)	Company pension scheme	<i>unchanged</i>
Plan type: Bonus pool (40%) Success targets: - 50% departmental targets - 50% individual targets Target achievement: 0%-150% Cap: 150% of the target amount	Short-Term Incentive ("STI")	Plan type: Target bonus (40% of the variable target remuneration) Success targets: - 50% departmental targets - 50% individual targets Target achievement: 0% - 150% Cap: 150% of the target amount
Plan type: Bonus pool (60%) Performance period: Three years, backward-looking Success targets: - 50% Earnings before taxes - 50% risk/return ratio ("ERR") Target achievement: 0%-150% Cap payout: 150% of the target amount	Long-Term Incentive ("LTI")	Plan type: Performance Share Plan (60% of the variable target remuneration) Performance period: Three years, forward looking Success targets: - 1/3 return on tangible equity ("Return on Tangible Equity", "RoTE") - 1/3 Risk/return ratio ("ERR") - 1/6 Relative total shareholder return ("TSR") - 1/6 Decarbonisation pathway Target achievement: 0% - 150% Cap payout: 150% of the target amount
Granting of 50% of the determined total amount of performance-related variable remuneration in virtual shares	Share orientation	Calculation of 60% of the performance-related variable remuneration taking into account the share price (performance share plan), plus conversion of 50% of the fixed total amount of the performance-related variable remuneration into virtual shares after the end of the assessment period and orientation towards the share price performance
Possibility of reducing and reclaiming variable remuneration in the event of behaviour that has led to significant losses or a significant regulatory sanction, as well as in the event of a serious breach of external or internal regulations	Malus and Clawback	<i>unchanged</i>
Chairman of the Management Board: EUR 2,200,000 Ordinary members of the Management Board: EUR 2,000,000 each	Maximum remuneration	<i>unchanged</i>
No share ownership guidelines have been agreed upon	Share Ownership Guidelines (SOG)	Introduction of Share Ownership Guidelines, with a five-year vesting period for the employee's investment in pbb shares, amounting to at least 50% of the agreed gross annual compensation
Granting of sign-on payments regardless of compensatory payments for the loss of entitlements from the previous employer	Compensatory Payments	Granted only as compensatory payments for the loss of entitlements from the previous employer

C. Overview of the remuneration system

1. Remuneration components

The remuneration of pbb's Management Board members consists of **fixed remuneration components that are not performance-related** and **performance-related variable remuneration**.

The sum of the non-performance-related fixed remuneration components and the performance-related variable remuneration constitutes the total remuneration for a member of the Management Board.

- The **fixed remuneration components** comprise the annual base salary, fringe benefits (in particular non-cash benefits) and the company pension scheme.
- The **performance-related variable remuneration** consists of a short-term variable component, the Short-Term Incentive ("STI"), and a long-term variable component, the Long-Term Incentive ("LTI").
- In addition, **further contractual arrangements** are set out in the remuneration system.

2. Remuneration structure

In accordance with the requirements of the German Corporate Governance Code (DCGK), the Supervisory Board sets a **target total remuneration** for each member of the Management Board that is commensurate with the duties and performance of the Management Board member as well as with the company's situation, and which does not automatically exceed the customary level of remuneration. The target total remuneration is the sum of all remuneration amounts allocated for a financial year (including the company pension scheme and fringe benefits). For performance-related variable remuneration, a target achievement of 100% is assumed accordingly.

Pursuant to Section 6 (2) of the IVV in conjunction with Section 25a (5), second sentence, of the German Banking Act ("KWG"), performance-related variable remuneration may not exceed 100% of the non-performance-related fixed remuneration. The Annual General Meeting could resolve to increase this figure to up to 200%, which has not happened to date and is not planned. For this reason, the proportion of non-performance-related fixed remuneration in the remuneration system relative to the target total remuneration is relatively high.

In line with the recommendations of the German Corporate Governance Code ("DCGK"), long-term performance-related variable remuneration exceeds short-term performance-related variable remuneration. The variable remuneration complies with the requirements of the DCGK.

For the Chairman of the Management Board and the ordinary members of the Management Board, the proportion of non-performance-related fixed remuneration (basic annual salary, pension costs for the company pension scheme and fringe benefits) is between 70% and 85% of the target total remuneration, and the proportion of performance-related variable remuneration is between 15% and 30% of the target total remuneration.

The percentages stated may vary slightly for future financial years due to changes in the cost of contractually agreed fringe benefits and in the event of new appointments. Furthermore, the percentages stated may vary in the event of any payments made upon taking office in the case of new appointments (agreements to compensate for lost remuneration entitlements arising from a previous employment relationship).

D. Details of the remuneration system

1. Non-performance-related fixed remuneration

a. Annual base remuneration

The **annual base remuneration** is a fixed annual salary paid in twelve equal monthly instalments. It is reviewed at regular intervals based on an external market comparison and adjusted where necessary. There is no automatic adjustment.

b. Fringe benefits

In addition, pbb grants members of the Management Board **fringe benefits** (non-cash benefits) to the usual extent. These include, for example, the following fringe benefits:

- **A fixed allowance** as an economically equivalent payment for the bank-wide abolition of company cars. This fixed allowance is not granted to members of the Management Board whose first service contract was concluded after 31 December 2023.
- In addition, members of the Management Board are covered by pbb's **D&O insurance**.
- pbb reimburses members of the Management Board for the **employer's contribution to health and long-term care insurance**.
- Newly appointed members of the Management Board may be granted benefits agreed on an individual basis, either for a limited period or permanently, such as the reimbursement of relocation costs, travel expenses for a weekly journey home in the case of maintaining two households, or the reimbursement of costs for a second home at the place of work.
- In addition, members of the Management Board are covered by **group accident insurance** (covering death and disability).

Taxes on benefits in kind relating to all of the above-mentioned fringe benefits are borne by the members of the Management Board themselves.

c. Company pension scheme

Defined-contribution pension commitments under individual contracts are provided as occupational pension schemes, covering retirement benefits and – depending on the terms – benefits in the event of occupational disability or incapacity to work. For **defined-contribution commitments**, an annual pension contribution is agreed with the member of the Management Board under an individual contract. Pension entitlements may be drawn from a specified age.

d. Other benefits

The Supervisory Board may, provided this is permissible under supervisory regulations, enter into agreements to compensate for lost variable remuneration entitlements arising from a previous service or employment relationship in order to recruit new members of the Management Board. Such remuneration payments are disclosed and explained separately in the remuneration report.

2. Performance-related variable remuneration

The **performance-related variable remuneration** is described in detail below. In particular, the relationship between the achievement of performance targets and the set variable remuneration amount, the remuneration amount that may be reset following backtesting and a malus review, and the payment amount from the variable remuneration is clarified. It also explains in what form and when the members of the Management Board may draw upon the performance-related variable remuneration.

a. Starting point: Variable target remuneration (calculatory reference value)

Performance-related variable remuneration is determined based on a **calculatory reference value agreed individually with the respective member of the Management Board in their employment contract**. This is a **calculated value** that reflects the amount of performance-related variable remuneration to be awarded based on **100% target achievement** in the Short-Term Incentive and the Long-Term Incentive. The calculatory reference value is expressed as an annual amount in euros.

In the event of the employment relationship commencing or terminating during the year, the calculatory reference value is reduced pro rata in relation to the full year. This also applies to absences due to illness or other reasons where there is no statutory or contractual entitlement to continued remuneration, as well as to periods during which the employment relationship is suspended.

b. Setting and determining targets for the Short-Term Incentive and Long-Term Incentive

Performance-related variable remuneration comprises a **short-term variable component, the Short-Term Incentive ('STI')**, and a **long-term variable component, the Long-Term Incentive ('LTI')**.

The proportion of the variable target remuneration is **40% for the STI** and **60% for the LTI**. Consequently, the respective calculatory reference value for a member of the Management Board is allocated as follows:

- 40% of the respective calculatory reference value is allocated to the STI.
- 60% of the respective calculatory reference value is allocated to the LTI.

Short-Term Incentive ("STI")

The STI is linked to the **achievement of departmental and individual targets**, which are measured over an assessment period of one financial year.

Target setting

No later than the start of each financial year, the Supervisory Board, acting on the recommendation of the Remuneration Control Committee, sets the **targets and assessment criteria for departmental and individual targets**, including any weighting and target values for 100% target achievement. The targets are derived from the pbb Group's business and risk strategy and take into account the planning for the respective financial year. They may be **quantitative and/or qualitative in nature** and are, in principle, equally weighted. The Supervisory Board may change the weighting of the targets, taking into account strategic priorities for future financial years. When setting performance targets, the Supervisory Board aims for a balanced mix of quantitative and qualitative targets. Furthermore, alignment of the targets of the Management Board member responsible for risk management with the sales targets of the other Management Board members is to be avoided in order to take account of their supervisory function and to prevent conflicts of interest.

The strategic and operational **departmental and individual targets** primarily include targets relating to

- strategic projects,
- new business,
- risk management
- funding, and

- ESG targets.

The targets for the respective financial year are published ex post in the remuneration report.

Target Setting

At the end of the respective financial year, the **achievement** of departmental and individual targets is assessed. Target achievement is determined based on the established assessment criteria and is assessed separately for each target. For quantitative targets, achievement is generally determined by comparing the defined target value with the actual figures achieved. For qualitative targets, the Supervisory Board carries out an evaluative assessment of performance based on the target value set in advance.

For each member of the Management Board, the **overall target achievement** is derived from the weighted average sum of the target achievements for the individual targets, which may range from 0% to 150% in each case. The overall target achievement may also range from 0% to 150% in total.

Calculation of the STI baseline

Once determined, the overall target achievement as a percentage is multiplied by the proportion of the calculatory reference value attributable to the STI. The calculated amount is the base value of the STI ('**STI base value**').

The targets set for the respective financial year, all relevant assessment bases and the resulting target achievement are disclosed and explained ex-post in the remuneration report.

Long-Term Incentive ("LTI")

The **LTI** is structured as a **performance share plan**. Through the selection of financial performance targets, it supports the successful implementation of the pbb Group's business and risk strategy. The three-year forward-looking performance period places the focus on the **sustainable development of the company**.

The **setting and determination of targets for the LTI** are carried out in the following steps:

Step 1: Allocation of virtual performance shares

At the start of each financial year, each member of the Management Board is conditionally granted a number of so-called **virtual performance shares** ('allocation'). The proportion of the calculatory reference value attributable to the LTI is 60% ('target amount'). First, the number of initially allocated virtual performance shares is determined. To this end, the target amount for the respective member of the Management Board is converted into an equivalent number of virtual performance shares. To calculate the number of virtual performance shares, the target amount is divided by the average Xetra closing price of the pbb share in February of the financial year.

The virtual performance shares confer upon their holder neither voting rights nor rights to dividends or any other rights under company law. The virtual performance shares are non-transferable, non-pledgeable, non-assignable and non-transferable. The Management Board member may not enter into any legal transactions that would effectively result in the disposal of the performance shares or the transfer of the associated opportunities and risks to third parties.

Step 2: Setting and measuring the four performance targets: RoTE, ERR, TSR and decarbonisation pathway

During the three-year performance period, the achievement of the four performance targets – which are generally weighted as follows – is measured:

Performance target	Weighting
Return on tangible equity ("RoTE")	1/3
Return-to-risk ratio ("ERR")	1/3
Relative Total Shareholder Return ("TSR")	1/6
ESG – Decarbonisation Path	1/6

The Supervisory Board is authorised to adjust the weighting of the performance targets for future financial years by a maximum of 10 percentage points upwards or downwards from the weighting shown, in order to reflect future strategic priorities.

Return on tangible equity ("RoTE")

RoTE (before tax) is defined as profit before tax attributable to shareholders (less the AT1 coupon) divided by the average IFRS equity attributable to shareholders available during the financial year, excluding goodwill and intangible assets, deferred tax assets and additional equity instruments ("AT1 capital").

Earnings-to-Risk Ratio ("ERR")

The **ERR** is defined as the net margin in retail banking multiplied by the average portfolio volume, divided by risk-weighted assets.

Target setting for RoTE and ERR

The Supervisory Board shall set the **target value** and, where applicable, the **threshold and maximum values** for **RoTE** and **ERR** no later than the start of the relevant performance period. To determine whether the target has been met, the target value for the relevant performance target is compared with the actual value for the performance period at the end of the performance period and expressed as a percentage. The actual value for the performance period is determined by calculating the average of the individual actual values for the respective financial years within the performance period. The audited consolidated financial statements of the pbb Group are decisive for determining the achievement of the respective performance target.

- If the actual value of the respective performance target corresponds to the threshold value or is below the threshold value, the target achievement is 0%.
- If the actual value of the respective performance target corresponds to the target value, the target achievement is 100%.
- If the maximum value of the respective performance target is reached or exceeded, the target achievement is 150% ('cap').
- Between the threshold and target values, and between the target and maximum values of the respective performance target, the target achievement is determined by linear interpolation.

The target achievement for the respective performance target can therefore range between 0% and 150%.

Relative Total Shareholder Return (“Relative TSR”)

To determine the target achievement of **the relative TSR**, pbb’s TSR performance is compared with the performance of the companies in the peer group and ranked within that group. The peer group consists of the companies in the STOXX Europe 600 Banks index. If a company is not included in the STOXX Europe 600 Banks index for the entire performance period, it is not taken into account. The Supervisory Board is entitled, in the event of a capital measure that has a significant impact on the relative TSR, to take this capital measure into account appropriately when calculating the TSR on an exceptional basis. The Supervisory Board also has the option of changing the index accordingly prior to allocation, provided that the STOXX Europe 600 Banks can no longer be used.

The opening and closing values for the calculation of the relative TSR are based on the average closing price over the last 30 trading days prior to the start and end of the respective performance period, taking into account notional reinvested gross dividends.

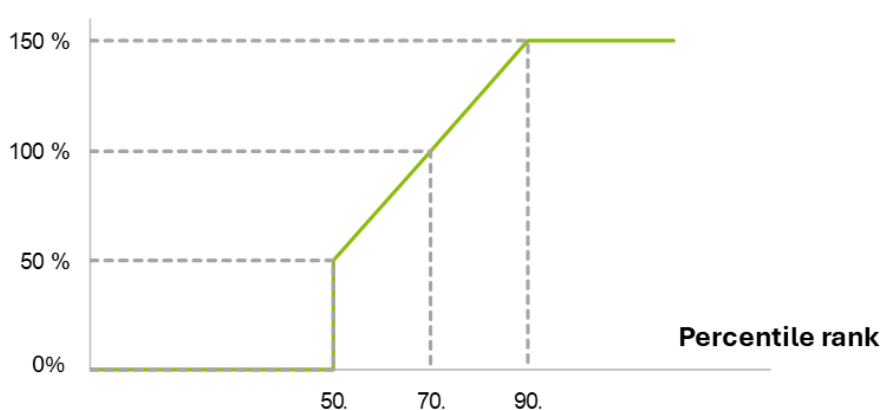
The Supervisory Board shall determine the **target, threshold and maximum** values for pbb’s **relative TSR** no later than the start of the respective performance period. The relative TSR depends on the percentile rank achieved by pbb within the peer group. Achievement of the relative TSR target is determined as follows:

- If the percentile rank falls below the percentile rank set as the threshold, the target achievement is 0%.
- If the percentile rank reaches the percentile rank set as the threshold, the target achievement is 50%.
- If the percentile rank matches the target percentile rank, the target achievement is 100%.
- If the percentile rank exceeds or reaches the percentile rank set as the maximum value, the target achievement is 150% ('cap').
- Between the threshold value and the target value, and between the target value and the maximum value, target achievement is determined by linear interpolation in each case.

The relative TSR target achievement can therefore range between 0% and 150%.

The target achievement curve for the relative TSR for the financial year 2026 is as follows:

Target achievement



The Supervisory Board is entitled to set different threshold, target and maximum values for future financial years.

ESG – Decarbonisation Path

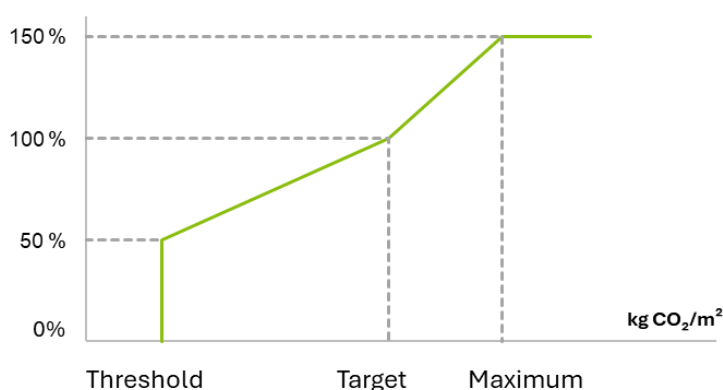
To determine target achievement, the physical emissions intensity ($\text{kg CO}_2\text{e/m}^2$) of the financed properties is assessed based on climate-relevant property data, taking into account business planning and recognised climate pathways. A weighted average by asset class is then calculated at portfolio level and compared with pbb’s target pathway. The measurement is based on the last day of the respective performance period.

The Supervisory Board sets the **target, threshold and maximum values** for the decarbonisation pathway in kg CO₂e/m² no later than the start of the respective performance period.

- If the actual value of the decarbonisation pathway is below the threshold value, the target achievement is 0%.
- If the actual value of the decarbonisation pathway corresponds to the threshold value, the target achievement is 50%.
- If the actual value of the decarbonisation pathway equals the target value, the target achievement is 100%.
- If the maximum value of the decarbonisation pathway is reached or exceeded, the target achievement is 150% ('cap').
- Between the threshold and target values, and between the target and maximum values of the decarbonisation pathway, target achievement is determined by linear interpolation.

The target achievement curve of the decarbonisation pathway for the financial year 2026 is as follows:

Target achievement



The Supervisory Board is authorised to set different threshold, target and maximum values for future financial years.

Step 3: Determination of the overall achievement of the four performance targets

At the end of each performance period, the **overall achievement of the four performance targets** is determined. In the first step, target achievement is calculated separately for each performance target based on the specified assessment criteria. In the second step, the weighted sum of the individual target achievements is calculated (as a percentage). This represents the overall achievement of the four performance targets. The overall achievement of the four performance targets can range from 0% to 150%. All relevant assessment criteria and the resulting achievement of the performance targets are disclosed and explained ex-post in the remuneration report.

Step 4: Determination of the final number of virtual performance shares

At the end of the performance period, the final number of virtual performance shares is determined. This is calculated by multiplying the overall achievement of the four performance targets over the three-year performance period by the number of virtual performance shares initially allocated.

Step 5: Determination of the LTI base value

Based on the final number of performance shares, the LTI base value ("LTI base value") is then determined. The LTI base value is calculated as the number of final performance shares multiplied by the sum of

- the arithmetic mean of the Xetra closing prices of the pbb share in the month of February of the financial year following the end of the performance period
- and
- the dividends paid per pbb share during the performance period; dividends do not accrue interest or get reinvested.

The upper limit set out in Section 25a (5), second sentence, of the KWG applies (see point 2).

c. Malus assessment

When determining the total amount of variable remuneration, the Supervisory Board takes into account whether the member of the Management Board can be accused of any **conduct contrary to public policy or professional duties** during the relevant assessment period. This necessarily leads to a reduction in the respective base values and cannot be offset by positive performance contributions.

Furthermore, the Supervisory Board assesses any **negative performance contributions** within the meaning of Section 18(5) of the IVV (**'malus and clawback assessment'**) and, particularly in the event of serious misconduct by a member of the Management Board during the relevant assessment period, has the option of reducing the respective base values to an appropriate extent and, if necessary, reducing them to zero. In the event of a clawback event, the relevant base amount must be reduced to zero.

d. Total amount of variable remuneration

In addition, the Supervisory Board reviews the financial **payment conditions in accordance with Section 7 of the IVV**.

To this end, the **total amount of variable remuneration** is first determined at the end of each financial year. In determining this, all base values of the STI and LTI established at that time are taken into account regarding performance-related variable remuneration.

The review of the requirements of Section 7 IVV is carried out in accordance with the statutory requirements. As indicators of the need for an in-depth review of the statutory requirements under Section 7 IVV, the Supervisory Board uses relevant restructuring thresholds from the restructuring plan. If the statutory requirements are met, a total amount of variable remuneration is made available. If the statutory requirements are not met, or are met only to a limited extent, the Supervisory Board must reduce the determined base values or waive them.

e. Consideration of exceptional developments

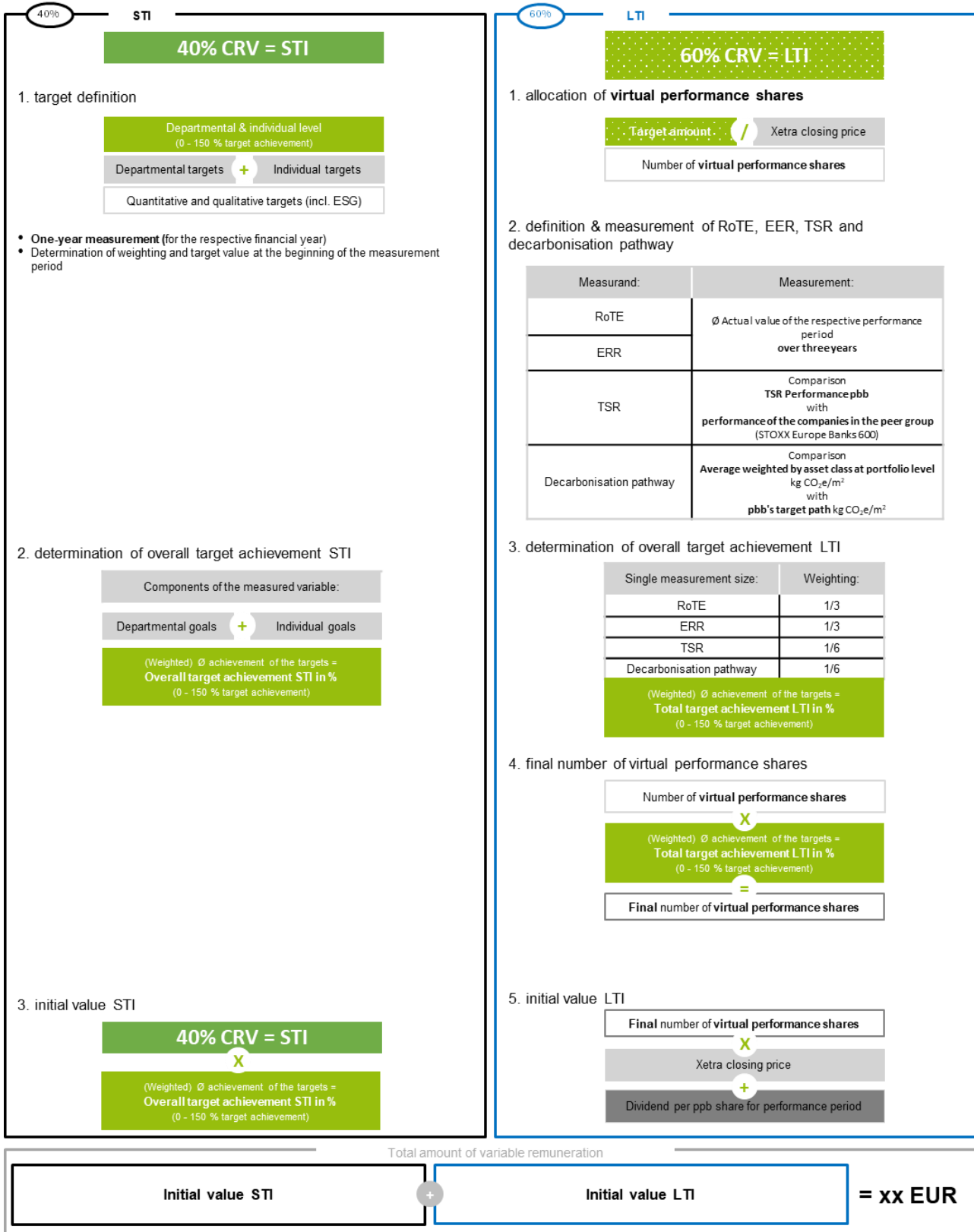
In accordance with Recommendation G.11 of the German Corporate Governance Code (DCGK), the Supervisory Board has the option of taking exceptional developments into account within reasonable limits. These provisions were further clarified and tightened in the 2026 remuneration system as follows, in order to limit the scope for intervention more clearly to exceptional developments. These exceptional developments may arise in the event of unforeseeable changes in pbb's economic environment that are beyond pbb's control. In accordance with the IVV, exceptional developments include, amongst other things, a decline in earnings due to a loss of reputation across the entire banking sector caused by a scandal involving a competitor or by damage resulting from extreme natural disasters. This also includes situations where agreed targets have been met or even exceeded entirely through no action on the part of the members of the Management Board (so-called 'windfall profits').

Should exceptional developments occur, the Supervisory Board may increase or reduce the target achievement for quantitative remuneration parameters at institutional level by up to 20 percentage points in order to take appropriate account of positive and negative effects on target achievement. If adjustments are made, the amount of the adjustment and the reasons for determining that amount shall be disclosed in the remuneration report for the relevant financial year.

Calculation of variable remuneration

Contractually agreed calculatory reference value (CRV)

= xx EUR



f. Payment structure: performance-related variable remuneration

As a significant institution within the meaning of Section 1(3c) of the KWG, pbb must, in particular, comply with the **requirements of Section 20 of the IVV regarding the variable remuneration of risk-takers**. Members of the Management Board are risk-takers. The payment structure for the variable remuneration of Management Board members is therefore generally subject to the following framework conditions:

The total amount of variable remuneration is divided into a **payout portion** and a **deferral portion**.

For members of the Management Board, the payout portion amounts to 40% of the respective total amount of variable remuneration, and the deferral portion to 60% of the respective total amount of variable remuneration.

Immediate payment portion: 40% of the respective total amount of variable remuneration

50% of the payout portion is generally paid out in cash at the end of the first half of the financial year in which the total amount of the respective variable remuneration is determined, and no later than September of that year, provided that the payout conditions under Section 7 of the IVV are met (Example: The total amount comprising STI 2029 and LTI with the performance period 2027–2029 is determined at the beginning of 2030; payment of 50% of the payout portion in May 2030).

The remaining 50% of the payout portion will be paid out after a **one-year vesting period** in the financial year following the determination of the total amount of variable remuneration. During the vesting period, this amount will be adjusted in line with the **performance of pbb's share price**.

To this end, the corresponding amount is converted into an equivalent number of virtual shares at the start of the vesting period. The average Xetra closing price of the pbb share in the month of the financial year in which the total amount is determined (reference price) applies to the calculation of the number of virtual shares. The virtual shares determined in this way are converted into a cash amount and paid out after a holding period of one year has elapsed. The conversion is based on the average Xetra closing price of the pbb share in the month of February of the year of payment (payment price). 50% of the payment portion of the total amount of variable remuneration is directly linked to the performance of the pbb share during the holding period.

Deferral portion: 60% of the respective total amount of variable remuneration

The **deferral period** for the deferral portion is a total of **five years** for members of the Management Board.

The Supervisory Board shall decide annually, in each of the five financial years following the determination of the total amount of variable remuneration, on the revaluation of one-fifth of the deferred portion. No entitlement to the deferred remuneration components exists until the relevant revaluation takes place.

Half of the respective deferral portion is **paid out in cash** following the recalculation.

The **other half** of the respective deferral portion is subject to a **one-year holding period** following the recalculation. During the holding period, this half is adjusted in line with the **performance of the pbb share price**. To this end, the corresponding amount is converted into an equivalent number of virtual shares at the start of the respective holding period. The average Xetra closing price of the pbb share in the month of February of the financial year following the determination of the total amount (reference price) applies to the calculation of the number of virtual shares. The virtual shares determined in this way are converted into a cash amount after a holding period of one year has expired and paid out with the next 50% cash payment portion. The conversion is based on the average Xetra closing price of the pbb share in February of the year of payment (payment price). 50% of the deferral portion is therefore tied to the performance of the pbb share during the holding period.

When deciding on the recalculation of a deferral portion at the end of the annual deferral period, the Supervisory Board takes the following aspects into account:

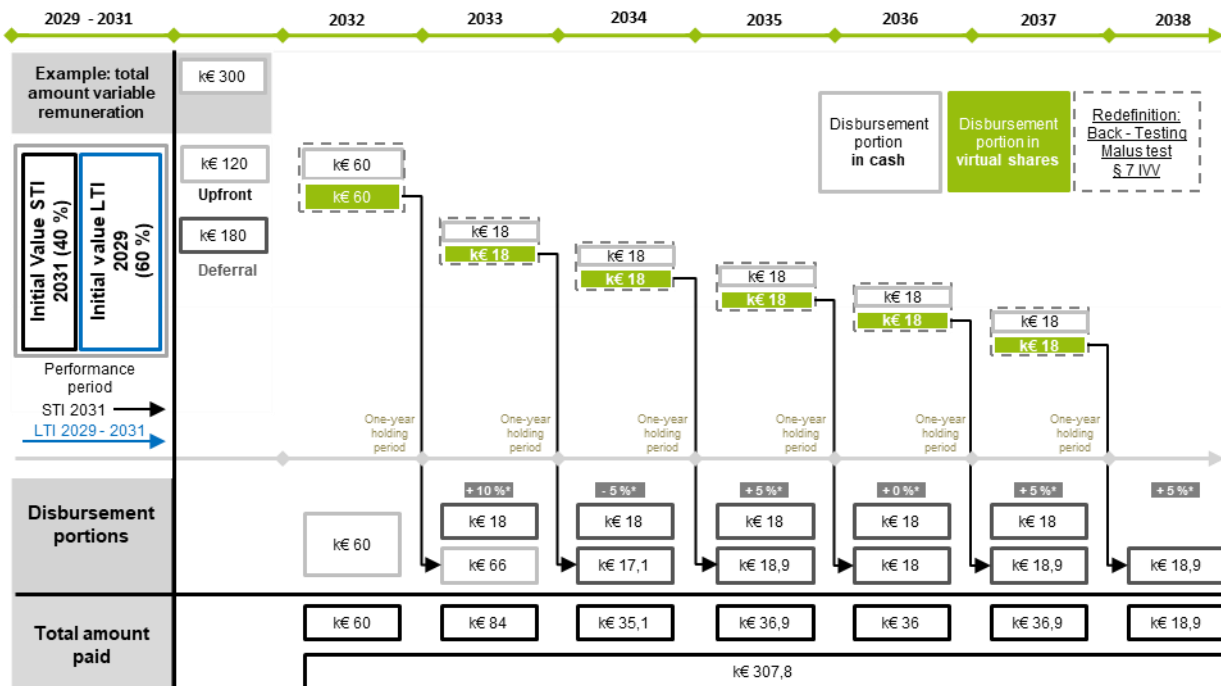
- **Backtesting:** As part of a retrospective review of performance-related variable remuneration (ex-post risk adjustment), the Supervisory Board examines negative deviations that have occurred retrospectively in relation to

the defined performance targets ('backtesting'). Through this retrospective performance assessment, the Supervisory Board verifies whether the originally determined target achievement remains accurate in retrospect, e.g. whether risks were underestimated or failed to be identified, or whether unexpected losses occurred. If, in the course of backtesting, the Supervisory Board identifies such shortfalls in target achievement, the deferred portion must be reduced to the extent necessary to lower the variable remuneration to the newly set level.

- Conduct contrary to ethical standards and duties:** Furthermore, the Supervisory Board shall examine whether the relevant member of the Management Board can be accused of any conduct contrary to ethical standards and duties during the relevant assessment period. This shall mandatorily lead to a reduction in the deferral portion and cannot be offset by positive performance contributions.
- Malus and clawback assessment:** In addition, the Supervisory Board assesses any negative performance contributions within the meaning of Section 18(5) of the IVV ("malus assessment") and, in particular in the event of serious misconduct by a member of the Management Board, has the option of cancelling variable remuneration components that have not yet been paid out or reclaiming variable remuneration components already paid out from the member of the Management Board ("malus and clawback provision"). pbb has entered into agreements with the members of the Management Board regarding the reclaiming of variable remuneration ("clawback agreement"). Accordingly, any outstanding claims to payment of variable remuneration for the relevant assessment period lapse, or the Management Board member is obliged to repay the variable remuneration already paid for the relevant assessment period, if they were significantly involved in or responsible for conduct that led to substantial losses for the institution or a significant regulatory sanction. The same applies if the member of the Management Board has seriously breached relevant external or internal regulations regarding suitability and conduct. pbb may reclaim variable remuneration already paid out up to two years after the expiry of the retention period for the relevant financial year. The detailed specification of the clawback criteria set out in the IVV takes into account the requirements of the supervisory authority and applies them – against the backdrop of the specific features of the pbb Group's business model and risk profile – with a view to the sustainability of the company's success and the alignment of corporate success with bonus payments.

Payment criteria, Section 7 of the IVV: Finally, the Supervisory Board reviews the financial payment criteria in accordance with Section 7 of the IVV. Based on this review, the Supervisory Board may reduce or withhold a member of the Management Board's variable remuneration.

**Total amount of variable remuneration - payment system for Management Board members
(Example: total amount of variable remuneration 300,000 euros)**



* Payout portions are divided into a cash portion and a share portion, each amounting to 50%. The share component has a one-year holding period and depends on the performance of pbb's share price during this period. This can develop both positively and negatively. Positive and negative developments were assumed as examples.

Inclusion of newly appointed members of the Management Board in the 2026 remuneration system

If a newly appointed member of the Management Board following the approval of the 2026 remuneration system has not yet completed a three-year performance period at pbb at the time the total amount of variable remuneration is determined, and the total amount of variable remuneration is therefore based on variable remuneration components with a performance period of less than three years, the deferral period for the deferral portion shall be extended by the period by which the actual performance period falls short of the minimum period of three years specified in Section 19 (1), third sentence, of the IVV.

In all other respects, the provisions regarding the payment structure (in particular the division into a payment portion and a deferral portion) apply accordingly.

Furthermore, the Supervisory Board shall, in accordance with its duty of care, ensure that the performance measurement for the total amount of variable remuneration for newly appointed members of the Management Board is also carried out at the institutional and departmental levels as well as at the individual level during the first two years of service (see Section 19(1) sentence 1 of the IVV).

Transition from the 2021 remuneration system to the 2026 remuneration system

With the transition from the 2021 remuneration system to the 2026 remuneration system, the bonus pool model will be converted to a target bonus model. Furthermore, the three-year performance period for the LTI will be changed from a backward-looking to a forward-looking performance period. The final LTI fully allocated under the 2021 remuneration system, amounting to 60% of the bonus pool, will be determined at the end of the 2025 financial year. The performance period for the first LTI, which is based entirely on the 2026 remuneration system and amounts to 60% of the variable target remuneration, begins with the 2029 financial year.

The **transition to the 2026 remuneration system** will take place **gradually**.

To this end, the existing LTI with a backward-looking three-year performance period will be gradually converted into an LTI with a forward-looking performance period over a period of three years as follows.

- In the 2026 financial year, the LTI with a backward-looking performance period accounts for 40% of the variable target remuneration and the LTI with a forward-looking performance period accounts for 20% of the variable target remuneration.
- In the 2027 financial year, the LTI with a backward-looking and forward-looking performance period will each amount to 30% of the variable target remuneration.
- In the 2028 financial year, the proportion of the LTI with a backward-looking performance period will be further reduced to 20% and that with a forward-looking performance period will be further increased to 40%.

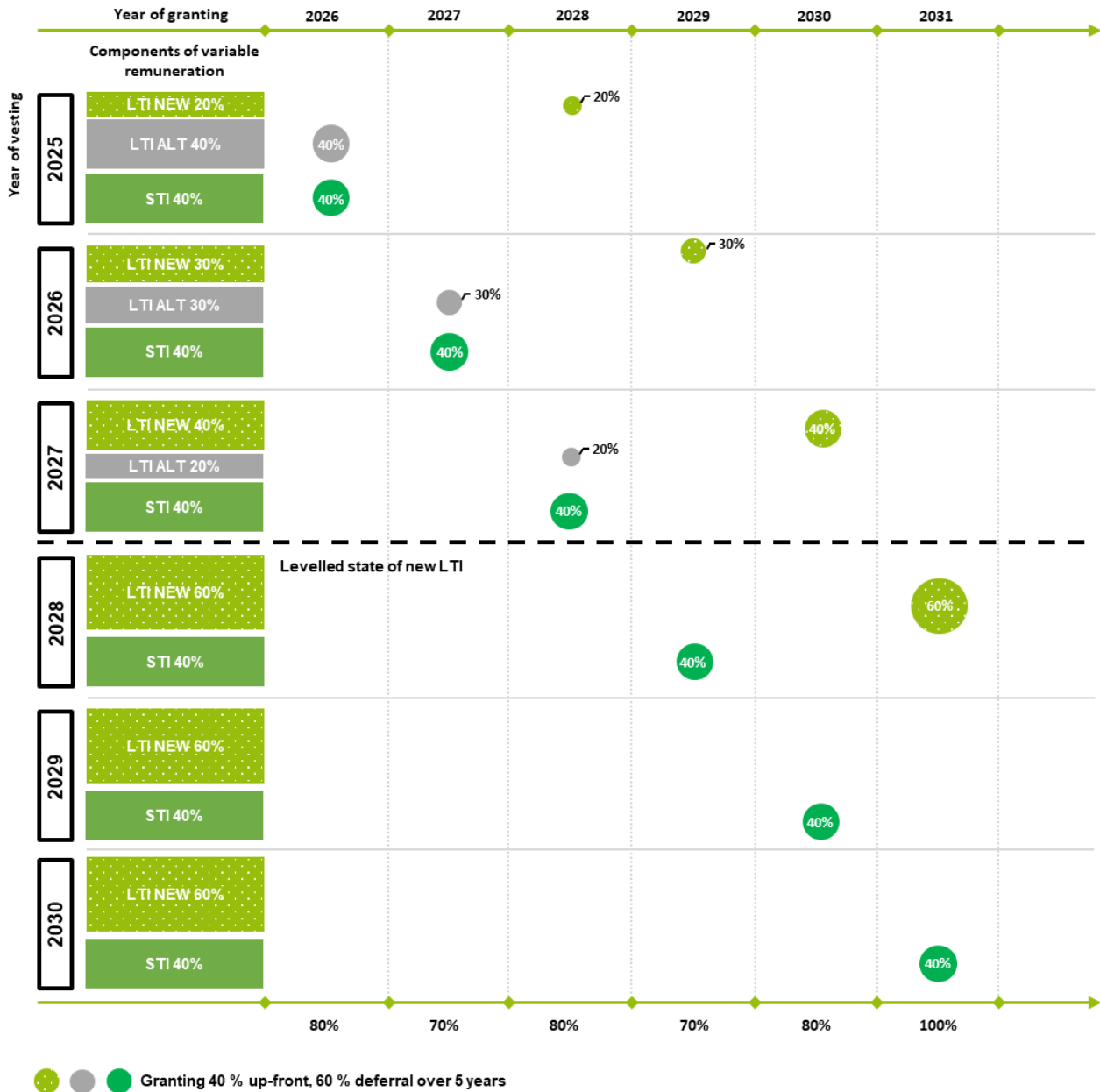
The STI, amounting to 40% of the variable target remuneration, remains unchanged.

The detailed structure of the existing STI and LTI under the 2021 remuneration scheme is set out in the section 'Overview of the changes' (p. 7) and in the remuneration report for the 2025 financial year.

During the transition period, the **total amount of variable remuneration** following the end of the 2026–2028 financial years will be determined in each case by taking into account the LTI base value under the 2021 remuneration system, the LTI base value under the 2026 remuneration system and the STI base value.

At the end of the transition period, i.e. at the start of the 2029 financial year, the company will then switch fully to the new target bonus model, and the STI, amounting to 40% of the variable target remuneration, and the LTI, with a forward-looking performance period amounting to 60% of the variable target remuneration, will be granted for the first time.

Illustration of transition period



Cap on total remuneration (maximum remuneration)

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

The **maximum remuneration** represents the **total remuneration that may be granted for a financial year**, i.e. the sum of all remuneration amounts paid for the financial year in question, including annual base salary, performance-related variable remuneration, pension costs for the company pension scheme and fringe benefits – regardless of whether the remuneration amounts are paid out in that financial year or at a later date.

The maximum remuneration does not represent the level of remuneration targeted by the Supervisory Board or considered appropriate. It merely sets an **absolute upper limit** to prevent disproportionately high remuneration for the Management Board. It **must therefore be clearly distinguished from the target total remuneration**.

The annual maximum remuneration is **EUR 2,200,000** for the **Chairman of the Management Board** and **EUR 2,000,000** for **each ordinary member of the Management Board**. Should the maximum remuneration for a financial year be exceeded, the payment amount of the performance-related variable remuneration for the financial year in question shall be reduced accordingly.

The maximum remuneration may exceed the specified maximum remuneration during the first twelve months following the commencement of employment of a new member of the Management Board if the Supervisory Board, provided this is permissible under supervisory regulations, enters into agreements to compensate for lost remuneration entitlements arising from a previous employment relationship in order to recruit new members of the Management Board.

Pursuant to section 25a (5) sentence 2 of the KWG, variable remuneration may not exceed 100% of fixed remuneration. The Annual General Meeting could resolve to raise this limit to up to 200%. This has not yet occurred and is not currently planned.

3. Share Ownership Guidelines

The key provisions of the Share Ownership Guidelines are described below. In particular, the guidelines address the obligation to purchase and hold shares, the vesting period, the possible crediting of variable remuneration, and the prohibitions and rights relating to shares.

a. Share purchase and holding obligation

The member of the Management Board is obliged, during the start-up phase and until the end of his or her appointment as a member of the company's Management Board, to acquire and hold a minimum number of shares in the company ('pbb shares') whose purchase price amounts to at least 50% of the agreed gross annual base remuneration ('own investment amount'). Exceeding the personal investment amount is permitted.

If the agreed gross annual base remuneration increases, the personal investment amount shall also increase accordingly. In this case, the member of the Management Board is obliged to acquire and hold further pbb shares to the extent necessary until the increased personal investment amount is reached.

b. Accumulation phase

The member of the Management Board must acquire the number of pbb shares corresponding to the personal investment amount within five years, starting from the day following the first payment of variable remuneration granted by pbb ("accumulation phase"). In the exceptional event that no variable remuneration is paid out, the build-up phase shall commence on 1 May of the year following the date of joining the pbb Management Board.

During the first four years of the vesting period, the member of the Management Board must acquire shares in an amount corresponding to at least 15% of the personal investment amount per year ("minimum investment"). If the member of the Management Board acquires more than the minimum investment in a given year, the shares exceeding the minimum investment may be credited towards the minimum investment in subsequent years. If the member of the Management Board has not acquired pbb shares corresponding to the personal investment amount by the end of the build-up phase, the member of the Management Board is obliged to acquire the pbb shares required to meet the personal investment amount without delay.

c. Shares owned by the member of the Management Board

The Management Board member may use pbb shares already in their ownership to meet the personal investment requirement. pbb shares already in the Management Board member's ownership are valued for the purposes of the personal investment amount at the price of the pbb share at the respective time of acquisition.

d. Crediting of variable remuneration

During the vesting period, earned portions of the variable remuneration may also be used to meet the personal investment requirement in accordance with the following provisions:

Where 50% of the payout portion and 50% of the respective deferral portion of the variable remuneration are granted in the form of virtual shares subject to an additional one-year holding period (“share-based remuneration”), the member of the Management Board may request that this share-based remuneration be paid out in cash without observing the applicable holding period (“early payout”) if the member of the Management Board uses the early payout to acquire pbb shares within ten working days of the early payout.

g. Prohibition on Disposal, Rights Attached to Shares

Until the end of their appointment as a member of the Company’s Management Board, any disposal of or hedging of pbb shares held is prohibited (“Hedging Prohibition”).

Apart from the holding obligation and the hedging prohibition in relation to the pbb shares to be held under the SOG, the member of the Management Board has all the rights and obligations of a shareholder, including the entitlement to dividends and other distributions.

4. Remuneration-related legal transactions

4.1 Prohibition on hedging transactions

Notwithstanding their obligations under other statutory provisions (such as the Securities Trading Act, “WpHG”), members of the Management Board are obliged, in accordance with Section 8 of the IVV, **not** to enter into **any personal hedging or other countermeasures** that limit or negate the risk orientation of their remuneration. The prohibition on hedging transactions is agreed upon in individual contracts.

Furthermore, in the event of random checks or ad hoc reviews based on reasonable suspicion of a breach of the prohibition on hedging transactions within the meaning of Section 8 IVV, members of the Management Board are obliged to provide information on the nature and scope of any such hedging or other countermeasures. The selection and scope of random checks are risk-oriented, with a focus on employees in specific roles and risk-takers. Furthermore, pbb may require all members of the Management Board to provide a written declaration regarding hedging or other countermeasures. In addition, the Company’s Compliance Directive, in its currently valid version, applies.

4.2 Terms of office and conditions for the termination of Board membership

The service contracts of the members of the Management Board are valid for the duration of their current appointments. When appointing members of the Management Board and determining the duration of their service contracts, the Supervisory Board complies with the provisions of Section 84 of the German Stock Corporation Act (AktG) and takes into account the recommendations of the German Corporate Governance Code (DCGK). In the case of an initial appointment as a member of the Management Board, the term of office and the duration of the service contract shall be three years. In the event of reappointment or an extension of the term of office, the maximum duration of the Management Board service contract is five years.

The service contracts do not provide for ordinary termination; the right to terminate without notice for good cause remains unaffected.

4.3 Benefits in the event of termination of service on the Management Board

Premature termination of service on the Management Board

Payment of the performance-related variable remuneration for active service on the Management Board shall be made at the originally agreed times and under the originally agreed conditions, even in the event of early termination of service on the Management Board without good cause. There shall be no early payment of the performance-related variable remuneration. If the employment relationship ends in such cases before the deferral portion has been paid in full, the provisions regarding the payment structure and due date remain unaffected.

If the employment relationship of a member of the Management Board ends as a so-called “bad leaver”, the Supervisory Board shall decide at its reasonable discretion whether and to what extent the LTI under the 2026 remuneration scheme and the LTI under the 2021 remuneration scheme, the measurement periods for which have not yet expired, shall lapse. The same applies to the deferred shares that have not yet been revalued at the time of receipt of the notice of termination.

A member of the Management Board is deemed a “bad leaver” if their employment relationship ends (also) as a result of a legally valid extraordinary termination by the Company or an unjustified extraordinary termination by the member of the Management Board.

Severance payments

Claims for the payment of severance pay are not provided for in the employment contracts of the members of the Management Board. In the event of premature termination of service on the Management Board without good cause, any severance pay agreed upon shall be subject to a **cap of two years’ remuneration** (severance pay cap). The severance payment is further limited in that it may not exceed 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 preceding calendar year and the proportion of the calculatory reference value for the current calendar year attributable to the LTI, i.e. 60% of this calculatory reference value.

No further severance payment provisions in the event of a ‘change of control’

The service contracts of the members of the Management Board contain neither a special right of termination in the event of a change of control nor a provision for a severance payment in such a case.

5. Procedures for determining, implementing and reviewing the Management Board remuneration system

The Remuneration Control Committee supports the Supervisory Board in designing the remuneration system for the members of the Management Board and prepares the Supervisory Board’s resolutions on the remuneration of Management Board members. This includes, in particular, the preparation of the Supervisory Board’s resolutions

- **setting the total amount of variable remuneration,**
- to define appropriate **performance targets, performance contributions, performance and vesting periods,** and the conditions for a partial reduction or a complete loss or clawback of variable remuneration.

In addition, the Remuneration Control Committee supports the Supervisory Board in its regular review – at least once a year – of whether the **provisions** adopted by the Supervisory Board **regarding the design of the remuneration system** are still **appropriate**. In this context, an annual review of the appropriateness of the remuneration system, remuneration structure and remuneration takes place, taking into account developments in remuneration and employment conditions.

The Remuneration Control Committee also assists the Supervisory Board in **monitoring the proper involvement of internal control and all other relevant areas** in the design of the remuneration systems. It assesses the impact of the remuneration systems on the risk, capital and liquidity situation and is responsible for ensuring that the remuneration systems are aligned with the business strategy geared towards the sustainable and long-term development of the institution, with the risk strategies derived therefrom, and with the remuneration strategy at institutional and group level.

The Remuneration Control Committee's recommendations for resolutions are discussed in detail by the Supervisory Board prior to the relevant resolution being passed. Where necessary, the Supervisory Board may consult external advisers, such as remuneration experts. In doing so, the Supervisory Board ensures that such advisers are independent of the Management Board and takes steps to avoid conflicts of interest.

In the event of **significant changes to the remuneration system**, or at least **every four years**, the remuneration system is submitted to the **Annual General Meeting** for approval. If the Annual General Meeting does not approve the remuneration system, a revised remuneration system shall be submitted at the latest at the following Annual General Meeting.

The **2026 remuneration system** shall apply – subject to approval by the Annual General Meeting – **with effect from 1 January 2026** to all members of the Management Board appointed at the time of the resolution, as well as to all new appointments and reappointments. In order to implement the remuneration system, the Supervisory Board will, on behalf of pbb, agree on appropriate **amendments to the service contracts** with the members of the Management Board by mutual consent, where necessary.

Review of the appropriateness of remuneration

The Supervisory Board regularly reviews the appropriateness of the individual remuneration components as well as the level of total remuneration. The Supervisory Board's aim is to offer the members of the Management Board a remuneration package that is both in line with market standards and competitive within the regulatory framework, thereby creating the basis for retaining high-performing members of the Management Board and attracting new ones.

When determining the remuneration for members of the Management Board, performance-related pay is to be ensured and the size of the company as well as its international business activities are to be taken into account. To this end, the remuneration of Management Board members is compared, on the one hand, with that of Management Board members at comparable companies (**horizontal remuneration comparison**) and, on the other hand, with the remuneration of employees who report directly to the Management Board members (second management level), as well as the remuneration of other employees within the pbb Group (**vertical remuneration comparison**). The reference group is published in the remuneration report. Through the vertical comparison, the Supervisory Board assesses whether the pay gaps relative to the workforce indicate that the remuneration of the Management Board members is inappropriate. Furthermore, the economic and financial situation of the pbb Group is also taken into account when determining remuneration.

Measures to prevent and manage conflicts of interest

The Supervisory Board's regulations on the avoidance and management of conflicts of interest apply to the entire process of establishing, implementing and reviewing the Management Board remuneration system. Should conflicts of interest arise, these must be disclosed and may, among other things, lead to exclusion from discussion and decision-making processes.

6. Provision for temporary deviations from the remuneration system

In exceptional cases, the Supervisory Board may, upon the recommendation of the Remuneration Control Committee, temporarily deviate from the remuneration system for members of the Management Board (procedures and regulations governing the remuneration structure) and its individual components, if this is necessary in the interests of the company's long-term well-being.

Such exceptional cases are defined as drastic, rare events that were unforeseeable at the time the targets were set, such as wars, pandemics, natural disasters or fundamental changes to the corporate structure (e.g. acquisitions or disposals). By contrast, general, unfavourable market developments are not to be classified as exceptional cases. The components from which temporary deviations may be made in exceptional cases are the performance-related variable remuneration and the ratio of non-performance-related fixed remuneration to performance-related variable remuneration. However, even in the event of a deviation, remuneration must continue to be aligned with the long-term and sustainable development of the institution and be consistent with the institution's performance and the performance of the member of the Management Board.

The Supervisory Board will set out and justify any adjustments and the considerations behind them in the remuneration report.

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