

2021

Annual General Meeting

June 9, 2021

Compensation system for
the Managing Directors of
the General Partner

// DWS

Compensation system for the Managing Directors of the General Partner

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A. Compensation system for the Managing Directors of the General Partner

The compensation system for the Managing Directors of the General Partner (hereinafter also referred to as "Executive Board members" and collectively as "Executive Board") which has been in force since the Company's initial public offering in March 2018 and which was revised in January 2021, must be submitted to the Annual General Meeting for approval pursuant to Section 120a(1) Stock Corporation Act.

The compensation system takes into consideration the regulatory requirements of the Stock Corporation Act and the Remuneration Ordinance for Institutions of December 16, 2013 (Federal Gazette I p. 4270), most recently amended by Article 1 of Regulation of April 15, 2019 (Federal Gazette I p. 486) amending the Remuneration Ordinance for Institutions of July 25, 2017 (Federal Gazette I p. 3042), the EU Directive on Alternative Investment Fund Managers (AIFMD) and the EU Directive on Undertakings for Collective Investment in Transferable Securities V (UCITS V) as well as the German Corporate Governance Code as amended on December 16, 2019 (GCGC).

References hereinafter to the "Shareholders' Meeting" shall be construed as references to the Shareholders' Meeting of the General Partner, which is responsible for the establishment and implementation of this compensation system.

I. Objectives and strategic coherence of the compensation system

DWS Group GmbH & Co. KGaA (hereinafter also referred to as "DWS KGaA"), together with its subsidiaries (hereinafter also referred to as "DWS " or "DWS Group") is among the world's leading asset managers with € 793 billion in assets under management as of December 31, 2020. DWS offers retail and institutional clients around the world access to a fully integrated platform which has been carefully positioned to ensure future growth. Its offering covers the full spectrum of traditional active, passive and alternative investment services.

DWS aims at shaping the future of investing. Thanks to its workforce of approximately 3,500 employees at locations around the world, the DWS Group combines local presence with global reach. DWS and its consolidated subsidiaries are investors whose brief aims at creating the best foundation for the financial future of their clients. Against this backdrop, responsible investing and a clear focus on sustainability concepts such as environmental, social and governance ("ESG") underpin DWS's fiduciary credo.

In early 2021, DWS laid out its ambitions for the next phase in the group's development following its March 2018 initial public offering. These include investment in transformation to keep efficient; a focus on and investment in selected sectors to generate profitable growth; and the pursuit of a leadership role within the industry in those sectors in which DWS performs strongly across its entire diversified business – including ESG, passive and high-margin strategies.

ESG is paramount among strategic priorities and DWS is confident that in the coming years successful asset management will depend to a great extent on sustainability and

sustainable investment. DWS's stated objective is to become the leading ESG asset manager and a pioneer by establishing ESG as the standard underpinning and forming the focus of its fiduciary and corporate activities.

The Executive Board is responsible for steering and controlling DWS and the entire DWS Group, as well as for ensuring their long-term, sustainable development in accordance with the interests of the shareholders.

The compensation system for the Executive Board presented herein plays a vital role in promoting and implementing the DWS Group's long-term strategy and developing a value-based, sustainable management system in keeping with shareholder interests. The objective is to offer Executive Board members a market-oriented, competitive compensation package in balance with statutory and regulatory conditions and the principles of good corporate governance in order to place itself in a position to rise to the challenges of the asset management industry and to seize the opportunities offered by that industry.

II. General principles

The following principles in particular have been taken into consideration in the development of the compensation system and the determination of individual compensation:

<p>Promoting DWS Group's strategy</p>	<p>The strategy of the DWS Group forms the basis for the definition of the relevant, ambitious objectives. The level of target achievement determines the level of compensation. Excellent performance can thus be rewarded appropriately, while a failure to achieve objectives results in the reduction of variable compensation, up to and including complete forfeiture (pay for performance).</p>
<p>Focus on long-term group performance</p>	<p>Long-term objectives and performance parameters as well as variable compensation granted on a deferral basis guarantee future-oriented, sustainable work to promote further success and positive business development.</p> <p>60% of total variable compensation is based on long-term objectives, which are combined in the Long-Term Award.</p> <p>Compensation which is granted on a deferral basis is subject to certain performance and forfeiture conditions during the deferral and holding period which can result in the partial or full forfeiture of variable compensation granted (<i>malus</i>).</p> <p>Furthermore, the total variable compensation can be reclaimed in the event of certain negative performance contributions up to two years after expiry of the most recent deferral period (clawback).</p>
<p>Sustainability: the focus of action</p>	<p>Responsible and sustainable action are of paramount strategic importance. For that reason, the performance parameters established for the compensation system are closely linked with DWS's ESG/sustainability strategy – not</p>

	<p>only through individual objectives for the Short-Term Award but also the collective objectives for the Long-Term Award.</p> <p>Overall, the ESG objectives account for at least 20% of the total reference variable compensation.</p>
Interests of the shareholders	<p>Clearly defined key financials that are directly aligned with the performance of the DWS Group form the basis for the defined variable compensation and therefore ensure close alignment with the interests of shareholders.</p> <p>Furthermore, granting variable compensation in the form of share-based components ensures that variable compensation is closely aligned with the performance of DWS shares and shareholder interests.</p>
Motivating collective and individual performance	<p>Ambitious and motivating individual objectives in the individual's areas of responsibility and consideration of the performance of the Executive Board as a whole promote a successful and dynamic environment.</p> <p>Short-term performance is measured through individual objectives which are set for the respective division or infrastructure areas for which each member of the management is responsible, and based on the overarching strategy.</p> <p>Long-term performance is monitored based on collective objectives at group level which apply to all Executive Board members equally (Long-Term Award).</p> <p>While setting targets, financial and non-financial objectives are taken into account in a balanced ratio.</p>

Due to regulatory requirements, Executive Board members with responsibility for the Investment, Coverage and Product division each have, in addition to their service contracts with DWS Management GmbH, an additional service contract with a subsidiary of the DWS Group. The Shareholders' Meeting is competent for developing the compensation system only with respect to employment at DWS Management GmbH. Accordingly, the description of the compensation system is applicable only to the Executive Board members in their role as Executive Board members of DWS Management GmbH.

B. Process for establishment, implementation and review of compensation system

The Shareholders' Meeting is responsible in particular for:

- the structure of the compensation system for the Executive Board members and the determination of the specific structure as well as the amount of compensation;
- the implementation and regular review of the compensation system;
- the annual setting of objectives and establishment of the principles for the performance measurement;

- the annual assessment of target achievement and the determination of the amount of individual variable compensation.

The Joint Committee of DWS KGaA has a right of proposal with respect to the determination of the variable compensation awarded pursuant to Section 17(3) of DWS KGaA's Articles of Association.

Pursuant to Section 15(1) of DWS KGaA's Articles of Association, the Joint Committee comprises two members delegated by the Shareholders' Meeting (presently two members of the Management Board of Deutsche Bank Aktiengesellschaft) and two members delegated by the shareholders' representatives on the Supervisory Board.

The Shareholders' Meeting may resolve to amend the compensation system if necessary. The system must be submitted to the Annual General Meeting of DWS KGaA for approval if material changes are made or every four years at a minimum. If the Annual General Meeting does not approve the compensation system as proposed, a revised compensation system must be re-submitted for approval at the latest by the next Annual General Meeting.

The current system applies to all incumbent Executive Board members with effect from January 1, 2021 as well as in the event of reappointments or new appointments. In light of the previously existing contractual commitments, the Shareholders' Meeting has deviated only from the ranges presented under section C for two Executive Board members.

I. Review of compensation system and ensuring appropriateness of compensation

The Shareholders' Meeting regularly reviews the compensation system and the appropriateness of the individual compensation components as well as overall compensation.

It ensures that the compensation is market-oriented and appropriate for comparable companies and takes into account both the size and international business model of DWS as well as its economic position and profitability.

To that end, external and internal benchmark studies are performed to assess whether compensation is in line with the market:

- Horizontal – external benchmarking
Given the DWS Group's international orientation, the review of market conformity of total compensation is based on compensation market data of international asset managers that are comparable in terms of assets under management and number of employees. The comparison factors in the compensation levels and structures. In addition, compensation is benchmarked against companies in Germany listed on the SDAX and MDAX which are comparable in terms of market capitalization.
- Vertical – internal benchmarking
Furthermore, the Shareholders' Meeting considers the development of Executive Board compensation by way of a vertical comparison. It examines the

ratio of average compensation of the Executive Board to the average compensation of the first management level below the Executive Board and the employees of the DWS Group worldwide over time. The workforce comprises non-tariff and tariff employees.

The Shareholders' Meeting regularly engages external consultants to conduct the review. When engaging external compensation experts, attention is paid to their independence from the Executive Board and DWS.

II. Consideration of employee compensation and employment conditions

The Executive Board compensation system is linked to the compensation and employment terms to which the employees of the DWS Group working in Germany are subject. For instance, other fringe benefits offered to the employees, such as risk cover (company-sponsored pension contributions and insurance benefits), health programs and company cars and bicycles are also factored in. Furthermore, the collective objectives under the DWS Group component apply both to the Executive Board as well as to DWS employees.

III. Precautions to avoid and manage conflicts of interest

The Shareholders' Meeting of the General Partner is responsible for determining the compensation of the Executive Board members and for establishing, implementing and reviewing the compensation system for the Executive Board members, whereby the Joint Committee of DWS KGaA may submit proposals with respect to the determination of variable compensation (see B. above). Due to the special nature of DWS KGaA's corporate structure and the areas of responsibility for determining the compensation of the Executive Board members of the General Partner under corporate law, a conflict of interest is generally avoided. Should a conflict of interest arise, the relevant statutory and general provisions for dealing with conflicts of interest are observed.

IV. Temporary deviations from the compensation system

In accordance with Section 87a(2) sentence 2 Stock Corporation Act, the Shareholders' Meeting may, in exceptional situations such as a severe economic crisis, temporarily deviate from individual components of the system if this is necessary in the interest of the long-term prosperity of DWS. Exceptional circumstances and the necessity of deviating from the system are determined by resolution of the Shareholders' Meeting. General adverse market developments do not justify such an exceptional situation. Even in the event of a deviation, compensation must still be linked to the Company's long-term, sustainable development and be in line with the success of the Company and the performance of the Executive Board members. The compensation components which may deviate from the defined rules include fringe benefits as a component of non-performance-related compensation and the performance criteria of the variable compensation. The exceptions and extent of deviations must be presented transparently in the compensation report.

C. Components of the compensation system and their relative shares of compensation

Compensation for Executive Board members consists of non-performance-related (fixed) and performance-related (variable) components. The fixed and variable compensation together constitute an Executive Board member's total compensation.

The fixed compensation comprises a base salary, contributions to a pension plan and fringe benefits.

Variable compensation is performance-related and is granted as either the Short-Term Award or the Long-Term Award, depending on the tenure of the relevant objectives. The Long-Term Award, which covers the long-term strategic objectives, accounts for the majority of reference variable compensation, uniformly comprising 60% of the total reference variable compensation for all Executive Board members.

For variable compensation, the objectives and performance parameters are defined at the beginning of each fiscal year; the extent to which the objectives are achieved determines the amount of variable compensation payable.

The defined variable compensation for Executive Board members can be granted entirely on a deferred basis, subject to a minimum deferral of 60%. Moreover, at least half of the total variable compensation is granted in the form of share-based instruments, the value of which is linked to DWS's share price performance.

The deferred compensation instruments are subject to additional performance and forfeiture conditions which can result in the full or partial forfeiture (*malus*). In addition, the Shareholders' Meeting may reclaim already paid variable compensation under certain circumstances (clawback). Variable compensation awarded for a fiscal year is disbursed over a period of one up to six years.

Overview of the compensation system

Compensation components		Maximum	Compensation instruments and deferral aspects	
Variable	Short-Term Award Individual objectives _ 20% Individual Balanced Scorecard _ 20% Individual objectives	40%	Non-deferred compensation _ Cash-based _ Share-based with 1 year holding period Deferred compensation _ Cash-based with tranche vesting over 5 years _ Share-based with tranche vesting over 5 years and 1 year holding period	Terms of performance and forfeiture Malus- and Clawback-regulations
	Long-Term Award Collective objectives _ 25% Adjusted cost-income ratio _ 10% Net inflow _ 15% ESG Factor _ 10% DB Group Component	60%		
Fix	Base salary		100%	
	Pension plan / Pension allowance	Fringe benefits		

Further rules: Maximum compensation as well as commitments and benefits in connection with the start and end of the activity

In accordance with the compensation system, the Shareholders' Meeting defines individual compensation components and a target total compensation for each Executive Board member.

In order to take appropriate account of factors such as competition and the market environment as well as the various areas of responsibility and the requirements of the respective position and seniority within the Executive Board, the compensation system allows for differentiation with respect to the amount of the target total compensation and the ratio of fixed to variable compensation components.

The relative shares of the respective compensation components in the annual target total compensation are determined in the following ranges due to the differentiation:

Compensation components	Relative share of total compensation in %	
	CFO, COO and Product Division	CEO, Investment and Coverage Division
Long-Term Award	19 - 32%	29 – 35%
Short-Term Award	13 - 21%	19 - 24%
Base salary	42 - 63%	38 - 48%
Pension contribution / Pension allowance	3 - 6%	1 - 5%
Regular fringe benefits	1%	1%
Reference total compensation	100%	100%

D. Compensation caps

The Shareholders' Meeting defines target and maximum amounts for all compensation components. The total compensation paid to all Executive Board members is furthermore subject to additional caps:

I. Cap on total compensation (maximum compensation)

Pursuant to Section 87a(1) sentence 2 no. 1 Stock Corporation Act, the Shareholders' Meeting set a limit (maximum compensation) for total compensation for the Executive Board members amounting to €9.85million each. This cap comprises not only base salary and variable compensation as well as regular and ad-hoc fringe benefits and pension service costs for company pension plan or pension allowances. When setting the above-mentioned maximum compensation, the Shareholders' Meeting took into account the fact that the pension service costs and the amount of fringe benefits may be subject to annual fluctuation. The amount of the maximum compensation ensures that DWS will continue to be able to offer competitive compensation packages in line with its international orientation in order to be able to offer Executive Board members adequate compensation and to attract the best executives to join the Executive Board.

Compensation components	Maximum upper limit of total compensation
Defined contribution pension service cost / pension allowance	Maximum compensation pursuant to § 87a Stock Corporation Act
Regular and ad hoc fringe benefits	
Long-Term Award	
Short-Term Award	
Base salary	

II. Cap on variable compensation

Pursuant to the Capital Requirements Directive (CRD 4) applicable to the financial sector, the ratio of fixed to variable compensation is capped at 1:1, i.e., variable compensation may not exceed fixed compensation. However, the Shareholders' Meeting has utilized the option provided by law and resolved to increase the upper limit for the ratio of fixed to variable compensation to 1:2.

The Shareholders' Meeting defines a target and a maximum amount for variable components. The maximum possible level of target achievement for short-term as well as long-term variable compensation components is limited uniformly to 150% of the respective target amount. If the level of target achievement exceeds that amount, short-term as well as long-term variable compensation determined at the end of the year is limited to 150% of the reference variable compensation.

If, after determining target achievement, variable or total compensation is calculated to exceed one of the above-mentioned caps, the variable compensation will be reduced accordingly by an equal percentage reduction in the Short-Term and Long-Term Awards until the amount of variable or total compensation meets the limit.

E. Compensation components in detail

The following provides a more detailed description of the individual components of compensation.

I. Non-performance related component

Fixed compensation comprises base salary, fringe benefits as well as pension contributions.

1. Base salary

Base salary is determined based on the position held by an Executive Board member and the associated shared responsibility for management. In addition, the Executive Board members' seniority is taken into account by the ability to set a higher base salary

for Executive Board members upon reappointment. Furthermore, the amount of the base salary offered depends on the relevant market conditions. As described in section D, in light of regulatory requirements, a cap for variable compensation amounting to 200% of fixed compensation is factored in; therefore, fixed compensation is determined in such a way that a competitive and market-oriented total compensation can be ensured even while taking these requirements into account.

2. Fringe benefits

All Executive Board members are entitled to receive "fringe benefits".

They consist on the one hand of contractually agreed regularly recurring benefits such as contributions to insurance policies, coverage of costs for participation in medical check-ups and – for Executive Board members based in Germany – a company car option on the basis of the applicable Company Car Policy of Deutsche Bank Group. In addition, Executive Board members not resident in Germany may be granted certain ad-hoc benefits, such as reimbursement of costs of preparing income tax returns or rental subsidies in the event of relocation at the Company's request.

The availability and individual utilization of fringe benefits may vary depending on location and personal situation, which is why the amount of fringe benefits cannot be precisely determined at the beginning of a year. However, the cap on total compensation (maximum compensation) pursuant to Section 87a(1) sentence 2 no. 1 Stock Corporation Act may in total not be exceeded by these benefits.

Executive Board members are included in the coverage of the Deutsche Bank Group's Directors' and Officers' (D&O) liability insurance. This insurance provides for a deductible for Executive Board members as required by law under Section 93(2) sentence 3 Stock Corporation Act.

3. Company pension plan

In addition, Executive Board members receive a commitment to pension benefits under the defined contribution pension plan offered to all DWS employees in Germany.

A fixed annual amount is contributed to the Executive Board members' pension plan (annual contribution). The annual contribution is invested in selected investment funds. Furthermore, an additional risk contribution is provided to cover the risk of early pension events. The sum of the market values of the investments form the pension amount available to be paid as pension benefit in case of a pension event (age limit, invalidity or death).

Executive Board members domiciled outside of Germany who also pay taxes on their income outside Germany may opt for a pension supplement in lieu of the pension plan commitment; the supplement is equivalent to the annual contribution to the company pension.

II. Performance-related component

The entire variable compensation is performance-related ("pay for performance").

The variable compensation is linked to previously defined and agreed financial and non-financial objectives. The objectives are established at the beginning of a financial year by the Shareholders' Meeting as the starting point of the annual objective setting process. Clear ratios and metrics are defined for all performance criteria rendering it possible to calculate the level of target achievement in a transparent manner. At the end of the relevant financial year, each objective is evaluated and the level of achievement of each objective is determined on the basis of the defined financial ratios and/or criteria and the measurement parameters. The defined ratios and/or criteria do not change during the year.

The structure provides for a balanced mix of individual and divisional objectives as well as collective objectives of a financial and non-financial nature. The following parameters play a key role in measuring performance:

- the individual contribution of each Executive Board member;
- the results of the relevant business unit;
- the business development of DWS Group; and
- the business development of the Deutsche Bank Group.

The Shareholders' Meeting ensures that the objectives are challenging and ambitious. If objectives are not achieved, variable compensation can be reduced to nil. If objectives are significantly exceeded, the maximum possible level of target achievement is capped at 150%, both for long-term and short-term objectives.

In order to make a clear distinction between short-term and long-term objectives, performance-related compensation comprises the two components described below: the Short-Term Award and the Long-Term Award.

1. Short-Term Award (STA)

The STA is used to reward the individual contribution of an Executive Board member during a fiscal year. The performance criteria on which the STA is based are therefore short-term objectives for the year. The agreed objectives support DWS's business and strategic objectives and are aligned with the individual Executive Board members' areas of responsibility and the specific challenges associated with it.

The STA is determined based on the objectives listed in the individual Balanced Scorecard as well as on up to three further individual objectives. The portion of the STA determined by the Balanced Scorecard accounts for 20% of the Executive Board members' performance evaluation. The additional individual objectives account for an equivalent share of the STA. The sum of the Balanced Scorecard and the additional individual objectives amounts to 40% of the total reference variable compensation.

Component & Reference Size			Objectives	Weighting
STA	Individual Objectives	40%	Individual Balanced Scorecard including ESG KPIs	20%
			Up to 3 individual objectives including at least one ESG objectives	20%

1.1. Individual Balanced Scorecard

The Balanced Scorecard is a tool used to steer and control central performance indicators and renders it possible to measure the achievement of strategic objectives. At the same time, it offers an overview of the priorities set throughout the entire DWS Group. The Balanced Scorecard contains key financial metrics as well as non-financial key performance indicators. In accordance with strategic priorities, aspects such as environmental, social and governance considerations are also taken into account – for instance, sustainable finance and products, regulatory requirements and corporate culture.

These central performance indicators are bundled into the following five categories associated with the business model of an asset manager:

#	Balanced Scorecard Category	Examples of Key Performance Indicators
I.	Financial Performance	Adjusted revenues, Management fee margin
II.	Activity	Client and investor meetings
III.	Operational & Regulatory	Audit Control Environment Assessment Grade
IV.	Culture, retention & leadership	Gender diversity - ExBo -1 / ExBo -2
V.	Investment Performance	Share of products outperforming benchmark

The categories are individually weighted depending on the respective area of responsibility of the Executive Board members. Clear financial or non-financial objectives are set for all performance indicators; these can be reviewed at any time based on defined metrics and are measured transparently at the end of each fiscal year. Target achievement in relation to the respective ratios and categories results in a performance band with pre-defined lower and upper limits between 0% and 150%. Overall target achievement is calculated based on the individual weighting of the five categories and the respective level of target achievement.

1.2. Individual objectives

Up to three additional individual objectives are agreed between the Shareholders' Meeting and each Executive Board member as part of the annual objective setting process for each fiscal year. The objectives consider the individual Executive Board members' respective area of responsibility and can be directly influenced by them. Thus, depending on the specific strategic and operational challenges for each individual Executive Board member, they play a key role in implementing the overall strategy of the DWS Group.

The objectives balance financial and non-financial objectives, with at least one of them relating to the ESG strategy. Objectives may cover strategic projects and initiatives as well as operational activities if they lay the groundwork for the structure and organization of DWS and its long-term development. They should be in harmony with the overall objectives set by DWS on its path towards the next phase following the initial public offering – transformation, growth and industry leadership. Objectives

should not be set which are already included on the Balanced Scorecard, thus avoiding double-counting of the same objectives.

The individual objectives should be challenging and associated with relevant and specific measurement criteria, based on which the Shareholders' Meeting is able to determine the respective level of target achievement at the end of the year. On the one hand, an Executive Board member's contribution to the Company should be measured based on pre-defined milestones and deliverables, measurable indicators or feedback from internal and external partners. On the other hand, it is also assessed how they embody DWS's values and beliefs in their day-to-day conduct. In particular, feedback from the various control functions such as Anti-Financial Crime (AFC), Audit, Compliance, Human Resources and Risk is also taken into account.

Furthermore, for all individual objectives, the weighting to each other is also determined. The level of target achievement for the individual contribution can range from 0% to 150%. Overall target achievement is calculated based on the individual weighting of the objectives and the respective level of target achievement.

1.3. Transparency in the compensation report

The defined individual objectives and the level of target achievement for individual components of the STA are disclosed transparently in the compensation report after the end of each year. Confidential and competition-relevant strategic initiatives are not disclosed ex-ante.

2. Long-Term Award (LTA)

The focus of assessment of variable compensation lies on the achievement of long-term objectives derived from the multi-year strategy of DWS. The assessment at the end of a financial year is based on annually definable interim objectives. The long-term component accounts for 60% of overall reference variable compensation.

The performance criteria on which the LTA is based consist of collective long-term objectives which are consistently defined for all Executive Board members. The level of target achievement is derived from the definition of clear metrics and/or criteria. The maximum possible target achievement for the collective long-term objectives is 150%.

Components and Reference Sizes			Objectives	Weighting
LTA	DWS Group Component	50%	Adjusted CIR (Cost-Income Ratio)	25%
			Net flows (% of BoP AuM)	10%
			Environment Social and Governance (ESG) footprint	15%
	DB Group Component	10%	CET1 ratio / Leverage ratio / Adjusted non-interest expenses / Post-tax return on tangible equity (RoTE)	10%

2.1. DWS Group component

In accordance with DWS Group's strategy, the Shareholders' Meeting has selected the following three performance indicators as key metrics for the success and growth of the business for the DWS Group component:

- Adjusted Cost-Income ratio (CIR)
- Net flows (as a percentage of assets under Management (AuM))
- Environment, Social and Governance (ESG) footprint

Each of the above three objectives is weighted at a fixed percentage of the reference size for the DWS Group component. This reference size amounts to 50% of the total reference variable compensation.

Adjusted Cost-Income ratio (CIR)

The adjusted cost-income ratio underscores the consistent focus of DWS's management on further increasing operational efficiency and cost control in order to generate long-term growth and maximize shareholder value. The ongoing effort to implement effective measures and push forward with efficiency-enhancement initiatives will result in further cost savings. The adjusted cost-income ratio accounts for 25% of the reference variable compensation.

Based on the clearly externally communicated objective of an adjusted cost-income ratio (adjusted for litigation expenses, restructuring costs and severance packages as well as costs incurred in the context of transformation), ambitious annual objectives are defined, the success of which is measured at the end of the year on the basis of a defined assessment matrix.

Net flows

Net flows represent assets acquired or withheld from clients within a defined period of time. Inflows and outflows constitute a key driver of change in assets under management. For that reason, this financial indicator has represented a key yardstick for measuring the sustainability of DWS's success since its IPO and accounts for 10% of the reference variable compensation.

Based on the externally communicated objective of average net cash flows, the target net cash flow for each year is defined at the beginning of each year. At the end of the year, the level of target achievement is derived from a defined assessment matrix.

Environment, Social and Governance (ESG) footprint

In every aspect of its business, the focus of DWS's strategy rests on improving the integration of sustainability factors. As the Company continues to establish itself as the world's leading ESG asset manager and put sustainability at the heart of every action it undertakes, the ESG objectives will be even more closely linked with variable compensation. The collective ESG ambitions within the LTA account for 15% of the total reference variable compensation.

Alongside the individual ESG objectives for the STA, the following specific collective ESG objectives have been defined for the LTA and thus are relevant to the compensation paid to Executive Board members:

Environment Social and Governance (ESG) footprint			Weighting
			15%
Environment	<ul style="list-style-type: none"> _ Sustainable finance and investment _ Reduce own CO₂ emissions 	ESG Net Flows	Equally weighted
		Sustainability Rating	
		Energy consumption & Travel Emissions	
Social	Corporate Social Responsibility activities of DWS employees		
Governance		Ethic, Conduct & Speak-Up Culture	

Environmental aspects such as sustainable finance and investments and reducing the Company's own carbon footprint serve the following objectives:

- ESG net flows: growth of ESG-specific inflows
- Sustainability rating: improvement of results for a selected rating
- Reduction of total energy consumption and emissions stemming from travel (air and rail)

Social aspects are used as a benchmark for a corporate culture that actively promotes social commitment, striving to achieve a broad-based involvement on the part of DWS employees in projects relating to corporate social responsibility (CSR) with partner organizations.

Corporate governance aspects relate to ethical conduct, integrity and a "speak-up" culture as a component of the annual employee survey. In particular, the aim is to gain insight into and assess attitudes towards leadership and to develop a culture of open dialog.

The individual ESG objectives are assigned equal weightings. Ambitious objectives are set for each aspect and a matrix is used to assess the level of target achievement. Overall target achievement for the ESG profile is calculated based on the average level of target achievement for the individual objectives.

The individual performance criteria within the ESG profile can be reviewed annually and updated if necessary in order to keep pace with developments in ESG and push forward with the integration of sustainability factors in a targeted manner.

2.2. Deutsche Bank Group component

Due to regulatory requirements, the overall performance of Deutsche Bank Group (i.e., Deutsche Bank Aktiengesellschaft and its subsidiaries) must also be taken into account when determining the variable compensation. For this reason, additional collective objectives are linked to the Deutsche Bank Group strategy and performance. In accordance with this strategy, four performance metrics constituting important

indicators for the capital, risk, cost and return profile of the Deutsche Bank Group form the reference value for the Deutsche Bank Group component of the LTA:

Deutsche Bank Group Component		Weighting
		10%
Core capital ratio (CET 1-Quote)	Common Equity Tier 1 capital ratio of Deutsche Bank in relation to its risk-weighted assets.	Equally weighted
Leverage ratio	Deutsche Bank's core capital as a percentage of its total leverage exposure pursuant to the definitions of the Capital Regulation / Capital Requirements Directive 4.	
Adjusted costs	Total noninterest expenses, excluding restructuring, severance and litigation costs as well as impairments of goodwill and other intangible assets.	
Return on tangible equity (RoTE)	Net income (or loss) attributable to Deutsche Bank shareholders as a percentage of average tangible shareholders' equity. The latter is determined by deducting goodwill and other intangible assets from shareholders' equity.	

Deutsche Bank Aktiengesellschaft regularly reviews the selection of performance metrics used in the employee compensation system. The four objectives specified above are equally weighted within the Deutsche Bank Group component. The Deutsche Bank Group component accounts for 10% of the total reference variable compensation.

2.3. Transparency in the compensation report

The defined collective targets and objectives and the level of target achievement for the individual components of the LTA are disclosed in transparent form in the compensation report after the end of each year.

3. No discretionary special payments

The Shareholders' Meeting is not authorized to grant discretionary special payments to Executive Board members for outstanding performance.

III. Long-Term Incentive and Sustainability

1. Vesting periods and award instruments

In accordance with the Remuneration Ordinance for Institutions (*Institutsvergütungsverordnung* - InstVV) and the applicable provisions relating to compensation set out in the EU Directive on Alternative Investment Fund Managers (AIFMD) and the EU Directive on Undertakings for Collective Investment in Transferable Securities V (UCITS V), at least 60% of total variable compensation is granted to Executive Board members in deferred form. Up to the full amount (100%) of the variable compensation offered may be granted on a deferral basis.

At least half of the deferred remuneration is granted in the form of share-based instruments (DWS Restricted Equity Award – DWS REA) while the remainder is granted as deferred cash compensation (DWS Restricted Incentive Award – DWS

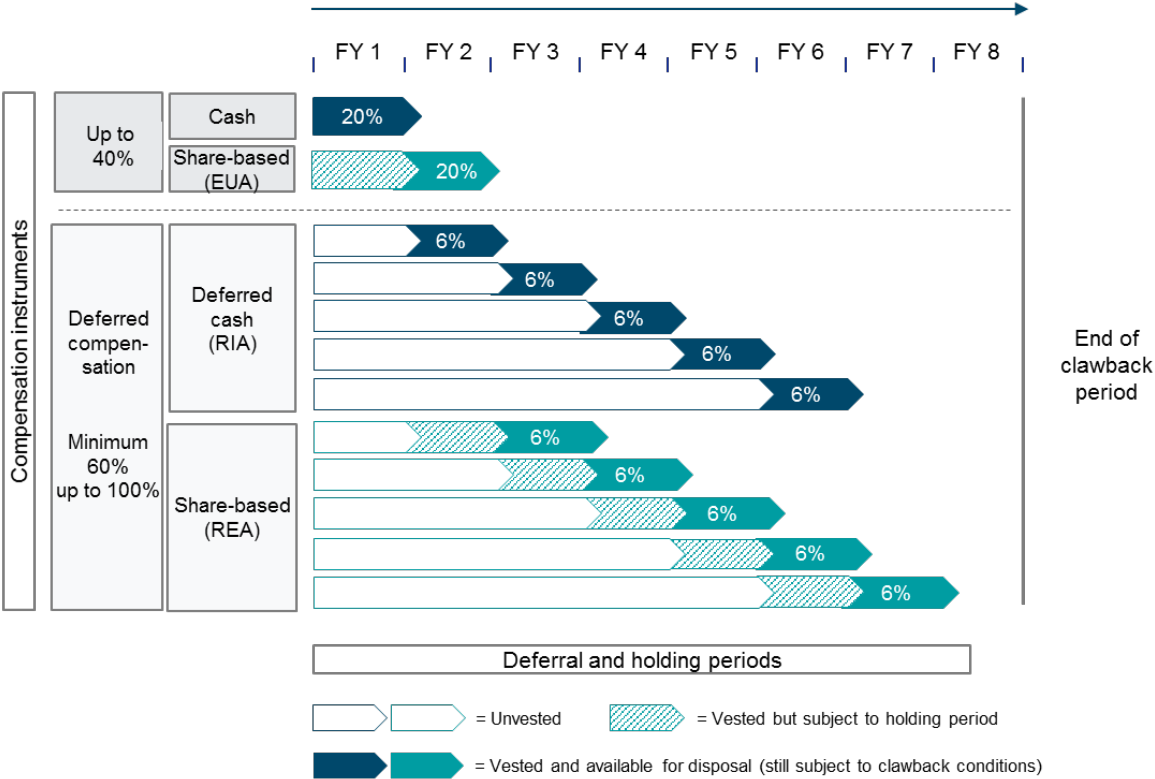
RIA). The deferred components of compensation, both the DWS REA and the DWS RIA, vest in equal annual tranches over a five-year period. Each tranche of the DWS REA is subject to an additional holding period of one year after vesting.

Additionally, at least half of non-deferred compensation is awarded in the form of share-based instruments (DWS Equity Upfront Award – DWS EUA). The DWS EUA is also subject to an additional holding period of one year. Only the remaining amount of the non-deferred compensation can be paid out immediately in cash.

Of the total variable compensation, no more than a maximum of 20% may be paid out in cash immediately, while at least 80% are paid at a later date. Variable compensation awarded for a fiscal year is disbursed over a period of up to six years. Only then may Executive Board members dispose over the full amount of the variable compensation granted to them for a fiscal year. Payment is made after the expiry of the respective deferral or holding period of each tranche.

During the vesting and holding period, the value of the DWS Equity Award depends on the share price performance of DWS shares and thus on the sustainable performance of the DWS Group, thereby establishing a link between compensation of Executive Board members and the success of the company. Furthermore, the variable compensation components are subject to special performance and forfeiture conditions during this period.

Overview of award instruments and deferral periods



Executive Board members may opt to invest their deferred cash compensation, the DWS RIA, in whole or in part in selected investment funds. The assessment is to be made in each case prior to the end of the financial year for which the variable

compensation is granted. In such cases, the award will be granted as the "DWS Employee Investment Plan – Elected EIP Award". The Elected EIP Award also vests as a granted award over a period of five years in equal annual tranches. During the vesting period, the value of the Elected EIP Awards depends on the performance of the selected investment funds and links the compensation of the Executive Board members to the success of the company.

2. Performance and forfeiture conditions, *malus*

During the vesting and holding period, special contractual performance and forfeiture conditions apply to compensation components granted over multiple years; these conditions can result in a partial reduction to the forfeiture in full of the variable compensation granted but not yet paid out. This ensures that appropriate consideration is given to the sustainability of the success of the business and risk strategy and ultimately provides a long-term incentive for variable compensation granted to Executive Board members.

In particular, the following events can result in the partial or complete forfeiture of previously granted but not yet paid out variable compensation (*malus* rule):

- Failure to comply with minimum requirements for certain performance conditions with respect to the DWS Group's pre-tax profit and risk-bearing capacity and capital planning KPIs (CET 1 capital or capital adequacy ratio of the DWS Group).
- Failure to comply with the performance conditions of the Deutsche Bank Group, such as reporting an after-tax operating loss or exceeding certain capital adequacy requirements of the competent regulators.
- Misconduct on the part of individual Executive Board members, such as breach of internal or external rules and regulations, termination for cause or negative individual contributions to performance.

3. Clawback

In the event of specific individual negative performance contributions by Executive Board members, the Shareholders' Meeting may reclaim variable compensation components already granted up to two years after expiry of the last deferral period (clawback) in accordance with Section 18(5) and Section 20(6) InstVV.

Clawback options also exist even if the Executive Board mandate or employment relationship have already ceased at the time of the reclaim.

4. Shareholding guidelines

Provisions concerning the obligation to hold shares strengthen identification with the Company and its shareholders and ensure a sustainable link to the company's development. Due to the ownership structure and the very limited number of DWS shares in free float, provisions on the obligation to hold shares cannot be incorporated into the compensation system for the Executive Board members, currently. The concept for granting variable compensation in the form of share-based instruments

whose value is linked to the performance of DWS shares over a continuous six-year period ensures a sustainable commitment of the Executive Board members to the development of DWS's value.

As soon as the liquidity of DWS shares permits share components to be offered to employees and the management, the Shareholders' Meeting reserves the right to introduce provisions on the obligation to hold shares.

F. Compensation-related legal transactions

Benefits in connection with the commencement of servicing as Executive Board member

In the event of an initial appointment of external executives as Executive Board members, benefits may be granted to offset the forfeiture of benefits granted by the previous employer – particularly for outstanding variable compensation or pension plan commitments forfeited upon joining DWS Group. The Shareholders' Meeting decides whether to grant such compensation and in what form. Such one-off compensation benefits are disclosed and explained separately in the compensation report.

Benefits for relocation at the request of the Company

If, at the request of the Company, the place of work of an Executive Board member changes, thereby necessitating a relocation of their place of residence, the Shareholders' Meeting may reimburse relocation costs, expenditures and other costs in connection with the relocation (e.g., rent subsidies) to a reasonable extent. This shall also apply in the event of a necessary change of residence as part of the initial appointment of a new member of the Executive Board.

Term of Executive Board members' service agreements

The term of the service agreement corresponds to the duration of the appointment. The appointment shall usually be for a maximum term of three years. Their service agreements automatically terminate upon expiry of their term of appointment without the need for a notice of termination. The Shareholders' Meeting shall decide on a reappointment no later than six months prior to the expiry of the service agreement or the appointment period. If Executive Board members are reappointed, their service agreements shall be extended for the duration of the reappointment.

Compensation from other board memberships

The Executive Board members' service agreements stipulate that Executive Board members shall ensure that compensation to which they may be entitled as members of a board, specifically a supervisory board, an advisory board or comparable institution within a company of the DWS or Deutsche Bank Group (Section 18 Stock Corporation Act), does not accrue to them. Accordingly, Executive Board members receive no compensation from mandates in Group companies.

This does not apply to the compensation received by the Executive Board members responsible for the Investment, Coverage and Product Division – as described in section A – based on their additional service agreement with a subsidiary within the DWS Group.

Compensation for board memberships – specifically on supervisory boards or advisory boards – for a company not belonging to the DWS Group or Deutsche Bank Group is offset against the base salary at a rate of 50%. Compensation not exceeding € 100,000 per board membership and calendar year is not offset.

Benefits upon Early Termination

The Executive Board members' service contracts in principle entitles the Executive Board members to receive a severance payment upon early termination of their appointment at the initiative of the Shareholders' Meeting, provided the Shareholders' Meeting of the General Partner is not entitled to revoke the appointment or give notice under the contractual agreement for cause. The circumstances of the early termination of the appointment and the length of service on the Executive Board are to be taken into account when determining the amount of the severance payment. The maximum severance payment is two annual compensation amounts and is limited to the claims to compensation for the remaining term of the contract. The calculation of the severance payment is based on the annual compensation for the previous fiscal year and on the expected annual compensation for the current fiscal year, if applicable. The severance payment is determined in accordance with the statutory and regulatory requirements, in particular with the provisions of the InstVV.

The compensation system does not provide for any special arrangements or benefits in the event of a change of control.