
Report of the Supervisory Board

Dear shareholders,

Following the establishment and listing of DWS Group GmbH & Co. KGaA (DWS KGaA) in March 2018, the year 2019 again was marked by several events that required the special attention of the Supervisory Board. In the first quarter of 2019, DWS KGaA prepared and published its first Annual Report. In the second quarter, DWS KGaA held its first Annual General Meeting. In the third quarter the Supervisory Board for the first time hosted a two-day strategy meeting with the Managing Directors of DWS Management GmbH (General Partner), the General Partner of DWS KGaA, who are hereafter collectively referred to as the Executive Board. Shortly thereafter, the Executive Board launched its strategic priorities to meet the challenges the asset management industry is facing and position DWS Group for the future. In addition, DWS Group has implemented a rigorous cost discipline program over the year and kicked-off a major organizational transformation process. Against this backdrop, the Supervisory Board continued to deal with fundamental questions of corporate management and organization, compliance and control in 2019 and closely examined and consulted on the governance standards implemented by DWS KGaA.

The Supervisory Board of DWS KGaA performed the tasks assigned to it by law, regulatory requirements, the company's Articles of Association and the Supervisory Board's Terms of Reference. In fulfilling its supervisory tasks, it monitored the General Partner and advised the Executive Board. Besides the monitoring of the ongoing business operations, the Supervisory Board's deliberations primarily centred on the strategic development of DWS KGaA as well as on business transactions and events with significant relevance for the company as well as on HR-related matters.

The Supervisory Board had the Executive Board regularly report to it both in writing and in person on significant matters relating to the company. Moreover, there was a regular exchange of information between the Chairman of the Supervisory Board, the chairpersons of its committees and the Executive Board. Thus, the Supervisory Board was continuously, comprehensively and without delay informed on business development and the strategy, the company's corporate, financial and personnel planning, its profitability and its risk, liquidity and capital management.

There were a total of 22 meetings of the Supervisory Board and its committees. The average meeting participation rate in 2019 was above 99%. Information on meeting participation for each member on the Supervisory Board is laid out in the following section. When necessary, resolutions were passed by circular procedure between the meetings.

Meetings of the Supervisory Board in Plenum

Beginning in the first full financial year as a listed company, the Supervisory Board held seven meetings in plenum in the course of 2019, where it dealt with all matters of significant relevance to the company.

At its first meeting of the year on January 29, 2019, the Supervisory Board continued to consist of eleven members, a result of the resignation of Dr Asoka Woehrmann as a shareholders' representative on October 25, 2018. The Supervisory Board discussed and agreed to a proposal put forward by the Nomination Committee on the targets for the composition of the Supervisory Board and the competence. As part of this, the Supervisory Board also looked at and agreed on a target quota for the proportion of women on the Supervisory Board, pursuant to Section 111 (5) of the German Stock Corporation Act (AktG). Additionally, the Supervisory Board discussed the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) which it resolved via circular procedure on March 4, 2019. Aside from the financial plan, the Supervisory Board reviewed and discussed the Annual Internal Audit Report. Following initial information provided to the Supervisory Board on January 16, 2019, Mr Mark Cullen laid out further details on the Executive Board's decision to discontinue plans to transfer and outsource fund administration and depository and custodian services in Germany and Luxembourg to a third-party provider.

At its extraordinary meeting on March 20, 2019, the Supervisory Board reviewed the 2018 Annual Financial Statements and Consolidated Financial Statements as well as the Non-Financial Reporting for 2018 and the Dependency Report presented by the Executive Board. Based on the recommendation of the Audit & Risk Committee, and following an extensive discussion also with representatives of the auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin (KPMG), the Supervisory Board unanimously approved ('billigt') the Annual Financial Statements and Consolidated Financial Statements presented by the Executive Board. In addition, the Supervisory Board concurred with the proposal of the Executive Board for the appropriation of distributable profit and resolved the Report of the Supervisory Board. Finally, the Supervisory Board addressed topics for the Annual General Meeting on June 5, 2019, and approved the proposals for its Agenda, including the proposal for the election of Mr Richard I. Morris, Jr. as

shareholders' representative on the Supervisory Board. Mr Richard I. Morris, Jr. had been appointed to the Supervisory Board on October 18, 2018 by the responsible court until the end of the next ordinary General Meeting.

On April 15, 2019, the Supervisory Board nominated the twelfth member of the Supervisory Board via circular procedure. As recommended by the Nomination Committee, the shareholders' representatives of the Supervisory Board unanimously approved Ms Annabelle Bexiga as the candidate to be proposed for election to the Annual General Meeting on June 5, 2019 and the Agenda of the Annual General Meeting was completed accordingly.

The Supervisory Board meeting on April 24, 2019 began with an executive session, that is, a session of the Supervisory Board only – followed by a joint session with the Executive Board. In the executive part, the Supervisory Board examined and approved the General Partner reimbursement and remuneration in accordance with Section 8 of the Articles of Association of DWS KGaA. Having been joined by the members of the Executive Board, Dr Asoka Woehrmann detailed strategic considerations which included organizational re-design, portfolio measures, strategic partnerships and responses to major market trends, such as ESG and digitalization. Ms Claire Peel followed up with the financials for the first quarter, the 2019 forecast and the business performance scorecard. On the lines of the requested continuous management updates, the other members of the Executive Board reported on material developments in their respective lines of functional responsibility. Following the decision to discontinue plans to transfer and outsource fund administration services, Mr Mark Cullen informed the Supervisory Board on subsequent negotiations in relation to currently outsourced depositary and custodian services. Mr Nikolaus von Tippelskirch introduced a summary of the Compliance Report, which had previously been reviewed by the Audit and Risk Committee.

At an extraordinary meeting on June 4, 2019 the Supervisory Board discussed all topics of significance for the next day's Annual General Meeting.

On June 5, 2019, the Annual General Meeting of DWS KGaA elected Ms Annabelle Bexiga and Mr Richard I. Morris, Jr. as shareholders' representatives on the Supervisory Board, following the recommendations of the Supervisory Board and the Nomination Committee.

Ms Sylvie Matherat resigned from her position as shareholders' representative on the Supervisory Board, effective per July 10, 2019. She also left Deutsche Bank AG at the end of July 2019.

At its meeting on July 19, 2019, the Supervisory Board started its executive session with a discussion of the overall course of the Annual General Meeting, the general debate, shareholders' main areas of interest and voting behaviour. Further, the shareholders' representatives on the Supervisory Board elected Ms Annabelle Bexiga as a member of the Remuneration Committee. The Supervisory Board dealt with the preparation for a joint strategy offsite with the Executive Board and requested the management to report on the key elements of DWS Group's strategic aspiration. In addition, the Nomination Committee was requested to support the Supervisory Board in performing a review of the efficiency of its work.

Starting off with the management session, Dr Asoka Woehrmann summarized progress made on the executing of cost reduction measures and gave an outlook on growth initiatives considered as part of DWS Group's strategic priorities. Ms Claire Peel took over for the presentation of the second quarter financials and the Interim Report. The Supervisory Board reviewed the Interim Report in its preliminary version as of July, 16 2019, and delegated the authority to perform the final review prior to publication to the Audit and Risk Committee. Another focus item of the meeting were measures taken in the US to revitalize net inflows reported by Mr Robert Kendall. Mr Nikolaus von Tippelskirch presented the result of a value-chain-based risk assessment carried out by the Chief Control Office (CCO) and laid out the target operating model for the CCO organization.

On August 27 and 28, 2019 the Supervisory Board hosted its strategy offsite. In this context, DWS's strategic priorities and the resulting opportunities and challenges were discussed and examined in detail. All members of the Supervisory Board and the full Executive Board attended the two day workshop which resulted in a total of 13 tasks, owned by members of the Executive Board.

On October 24, 2019 the Supervisory Board addressed the takeaways from the strategy offsite. The Executive Board had been requested to report on progress made in two of the key initiatives, the ESG Strategy and the setup of a digital asset manager. The Nomination Committee made a recommendation on the engagement of an outside specialist to support the Supervisory Board's efficiency review; this recommendation was unanimously accepted. The shareholders' representatives unanimously elected Mr Richard I. Morris, Jr. as a new member on the Audit and Risk Committee following Ms Sylvie Matherat's departure. The Supervisory Board received a report on the preparation for the 2020 and 2021 Annual General Meetings.

As part of the management reporting, Mr Dirk Goergen presented considerations on organic and inorganic growth options for the DWS Group investment account business. Mr Nikolaus von Tippelskirch dealt with an analysis on the impact of long-term low interest rates on DWS Group. The Supervisory Board agreed for the Audit and Risk Committee to continue to monitor risks arising from a low interest rate environment. Mr Mark Cullen summarized DWS Group's location strategy, also pointing to

optimization potential realized over the last two years. Mr Pierre Cherki and Mr Stefan Kreuzkamp reported on further alignment of the investment platform's operating models and processes with the ESG strategy.

At its meeting on December 13, 2019 the Supervisory Board dealt with the results of the review of the efficiency of its work. Further, the Supervisory Board agreed to a proposal put forward by the Executive Board to issue a Declaration of Conformity with the recommendations made in the German Corporate Governance Code (the "Code") of February 7, 2017, and to change the annual issuance cycle for the Declaration of Conformity to the fourth quarter, as is common in the German market. Subsequently, the Supervisory Board resolved the Declaration of Conformity according to Section 161 of the German Stock Corporation Act (AktG). Further, DWS Group's plans to transform into a more modern work environment with a leaner, less hierarchical organisational structure and a DWS-dedicated role framework were addressed in detail. The Financial Plan for DWS Group, which had earlier been approved by the Executive Board, was reviewed. The Supervisory Board also continued to examine information on the impact of long-term interest rates on DWS Group. In addition it addressed the requirements set out by the German Act Implementing the Second EU Shareholder Rights Directive (Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie, ARUG II) and decided to delegate its approval authority of Related Party Transactions as defined by ARUG II to the Audit and Risk Committee. Mr Dirk Goergen further detailed strategic options for the investment accounts business and Mr Mark Cullen summarized cost achievements realized through an optimization of DWS's location footprint.

Based on the results of its efficiency review, the Supervisory Board discussed and agreed to a proposal put forward by the Nomination Committee to amend the objectives regarding its composition. At its meeting on January 27, 2020, the Supervisory Board resolved to add expert knowledge of "ESG standards and best practices and their implementation to its profile" of requirements.

The Committees of the Supervisory Board

Audit and Risk Committee

The Audit and Risk Committee held six meetings in 2019. It supported the Supervisory Board in monitoring the financial reporting process and intensively addressed the Annual Financial Statements and Consolidated Financial Statements, as well as the interim report and the audit and review reports issued by the auditor, KPMG. In addition it dealt with the routine examination of the 2018 Financial Statements by the German Financial Reporting Enforcement Panel (FREP, Deutsche Prüfstelle für Rechnungslegung (DPR) in accordance with section 342b of the German Commercial Law (HGB).

Within the context of financial reporting and accounting practices, the committee monitored the adoption of the new International Financial Reporting Standard IFRS 16 "Leases", in particular in relation to the interpretation of the incremental borrowing rate according to IFRS 16.26. The Audit and Risk Committee also dealt with new rules governing related party transactions coming into force in January 2020, with the effectiveness of ARUG II. In addition, the Audit and Risk Committee reviewed the valuation of goodwill and other intangible assets and the impairment testing of certain intangible assets. Further, it addressed service fees charged by Deutsche Bank AG and the governance framework set out in the by Master Service Agreement, as well as tax-related topics.

The Audit and Risk Committee monitored the effectiveness of the DWS Group's risk management system in particular in relation to the internal control system and internal audit. This covered, amongst others, the setup of the Divisional Control Office, which coordinates the adoption of critical regulatory change programs and ensures the establishment of related new controls. The committee also dealt with the Annual Internal Audit Report and the Annual Compliance Report. Further, the committee was regularly informed on the work of internal audit, the audit plan and its findings. It also addressed the measures taken by the Executive Board to remediate deficiencies identified by the internal control functions and the auditor and it received regular updates on the status and progress made in this context.

In addition, the committee dealt with the DWS Group risk appetite statement and the overarching risk strategy, embedded in the Risk Management Framework. It regularly examined reports addressing key metrics and risk appetite, investment risk, financial risk and model risk. Further, the committee addressed credit and counterparty risk and examined the processes established by DWS Group to govern co-investments and seed capital investments. Further, the committee received regular reports on the impact of long-term interest rates on DWS Group and discussed related management actions with the Chief Risk Officer.

The Supervisory Board issued the mandate as the independent auditor to KPMG and, with the support of the Audit and Risk Committee, set the amount of the auditor's remuneration. KPMG also reviewed the Dependency Report and performed a review to obtain a limited assurance of the Non-Financial Report. The Audit and Risk Committee dealt with the measures to prepare for the audit of the Annual Financial Statements and Consolidated Financial Statements for 2019, specified its own areas of focus for the audit and approved a list of permissible non-audit services. The Audit and Risk Committee received regular reports on the engagement of accounting firms, including the auditor, for non-audit-related services.

Following the audit tender procedure carried out in 2017/ 2018, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Eschborn/ Frankfurt am Main, was recommended to and later appointed by the Annual General Meeting to perform the limited review of the condensed financial statements and the interim management report as of June 30, 2020 and any other interim financial reports with cut-off dates after December 31, 2019, but prepared prior to the Annual General Meeting in 2020. In this context, the Audit and Risk Committee reviewed the steps taken to prepare for the envisaged auditor transition in 2020.

Representatives of the independent auditor as well as the CEO, the CFO and the CCO of DWS Group and the Head of DWS Audit, the DWS Group Controller and the DWS Chief Risk Officer attended all of the meetings of the Audit and Risk Committee. KPMG only partially attended the committee's examinations of the preparation for the planned auditor transition in 2020.

Remuneration Committee

The Remuneration Committee held four meetings in 2019.

The committee supported the Supervisory Board in monitoring the appropriate structure of the compensation systems for DWS Group's employees and, in particular, the appropriate structure of the compensation for the Head of Compliance and for the employees who have material influence on the overall risk profile of DWS Group, i.e. Material Risk Takers. In this regard, the committee reviewed the DWS Compensation Policy, which had been implemented for the performance year 2018 and is reviewed on an annual basis. The Committee was informed about the transfer of further compensation decision authorities from the Deutsche Bank Group Compensation Governance to DWS Group and, as a consequence, the establishment of DWS Group compensation control bodies. The Remuneration Committee addressed the process applied for the identification of Material Risk Takers and changes made to the DWS Compensation Framework.

The committee members also monitored the preparation for the 2019 year-end process and the governance around pay decisions, including the link to performance. It also reviewed and discussed talent pool definition and talent development as well as female representation and diversity targets. In addition, the committee was informed and advised on the DWS Group's cultural change program and its plans to replace the current corporate title system with a functional role framework to support the transformation into a leaner, less hierarchical organisational structure.

Nomination Committee

The Nomination Committee held five meetings in 2019.

It prepared the Supervisory Board's proposals for the election and appointment of new shareholders' representatives to the Supervisory Board. In this context, the committee took into account statutory and regulatory requirements as well as the objectives for the composition of the Supervisory Board and the required competence profile, which the committee helped to define. Moreover, the Nomination Committee prepared a proposal addressing the determination of a target quota for the proportion of women on the Supervisory Board, pursuant to Section 111 (5) of the German Stock Corporation Act (AktG).

The Nomination Committee intensively supported the Supervisory Board in the review of the efficiency of its work. In this context, the committee made a recommendation on the engagement of an external consultant to help run the self-assessment. It also reviewed results of the review, identified areas of interest and made recommendations on potential action items to the Supervisory Board.

Participation in Meetings

Participation in meetings of the Supervisory Board and its committees was as follows:

Name	Meetings incl. committees	Meetings plenary sessions	Participation plenary sessions	Meetings committees	Participation committees	Participation in % all meetings
Karl von Rohr	12	7	7	5	5	100
Ute Wolf	13	7	7	6	6	100
Stephan Accorsini	13	7	7	6	6	100
Annabelle Bexiga	6	4	4	2	2	100
Aldo Cardoso	17	7	6	10	10	94
Sylvie Matherat	7	4	4	3	3	100
Angela Meurer	7	7	7	–	–	100
Richard I. Morris, Jr.	13	7	7	6	6	100
Hiroshi Ozeki	7	7	7	–	–	100
Erwin Stengele	11	7	7	4	4	100
Margret Suckale	16	7	7	9	9	100
Said Zanjani	12	7	7	5	5	100

Corporate Governance

The composition of the Supervisory Board and its standing committees is in accordance with good corporate governance standards and meets regulatory requirements. The work in the bodies was characterized by an open and intensive exchange and a trustful cooperation. The Chairman of the Supervisory Board and the chairpersons of its committees coordinated their work and consulted each other regularly and – if required – on an ad-hoc basis in order to ensure the exchange of information required to perform the tasks assigned to the Supervisory Board and its committees by law, administrative regulations, the Articles of Association of DWS KGaA and the respective Terms of Reference.

At the meeting of the Supervisory Board, the committee chairpersons reported regularly on the work of the committees. From time to time the representatives of the employees and the representatives of the shareholders conducted separate preliminary discussions before the meetings of the Supervisory Board. At the beginning or end of the meeting of the Supervisory Board or its committees, discussions were regularly held in executive sessions without the participation of the Executive Board. In accordance with the Terms of Reference of the Audit and Risk Committee the Supervisory Board determined that Ms Ute Wolf fulfils the requirements of Section 100 (5) of the German Stock Corporation Act (AktG).

Furthermore, the Supervisory Board determined that it has what it considers to be an adequate number of independent members based on its assessment.

The Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), was resolved by the Supervisory Board on December 13, 2019. The text of the Declaration of Conformity can be found in Section 3 of the Annual Report.

Training and Further Education Measures

Education measures were conducted with the Supervisory Board in plenum and with its committees to further familiarize them with DWS Group, including its existing and envisaged future organizational design. The members of the Supervisory Board continued to build and enhance required specialized knowledge to foster good corporate governance. In particular, trainings were held on General Meeting rules and procedures in preparation for the first Annual General Meeting. In total, training and education covered more than ten topics, such as new regulatory requirements with material impact on DWS Group (e.g. ARUG II and German Supervisory Requirements for IT in Investment Management Companies (Kapitalverwaltungsaufsichtlichen Anforderungen an die IT, KAIT)), ESG standards and their ways of implementation, artificial intelligence in the investment industry, digital distribution, the asset management value chain and general high risk areas, macroeconomic developments as well as the DWS CIO View. Education measures took place both in form of introductory presentations prior to the deliberations of the Supervisory Board during its ordinary meetings and in separate dedicated training sessions.

Induction courses were held for new Supervisory Board members to facilitate their induction into office.

Conflicts of Interest and Their Handling

In the reporting year, no conflicts of interest were reported or otherwise apparent which would have to be reported to the General Meeting. Mr Hiroshi Ozeki did not participate in the Supervisory Board's deliberations on the direction of DWS Group's Insurance Coverage business and on its APAC strategy to prevent possible conflicts of interest.

Annual Financial Statements, Consolidated Financial Statements, the separate Consolidated Non-Financial Report and Dependency Report

KPMG audited the Annual Financial Statements, including the Accounting and Management Report, as well as the Consolidated Financial Statements with the related Management Report for the 2019 financial year and the Dependency Report and issued in each case an unqualified audit opinion on March 13, 2020. The Auditor's Reports were signed by the Auditors Mr Kuppler and Mr Lehmann. Mr Kuppler was the Auditor responsible for the engagement.

Furthermore, KPMG performed a review to obtain a limited assurance in the context of the Non-Financial Reporting and issued an unqualified opinion.

The Audit and Risk Committee examined the documents for the Annual Financial Statements and Consolidated Financial Statements for 2019 as well as the Non-Financial Reporting for 2019 and the Dependency Report at its meeting on March 18, 2020. The representatives of KPMG provided the final report on the audit results. The Chairperson of the Audit and Risk Committee reported on this at the March 18, 2020 meeting of the Supervisory Board. Based on the recommendation and advance handling of the Audit and Risk Committee and after inspecting the Annual Financial Statements and Consolidated Financial Statements documents as well as the documents for the Non-Financial Reporting, the Supervisory Board agreed to the results of the audits following an extensive discussion on the Supervisory Board and with representatives of KPMG. The Supervisory Board determined that, also based on the final results of its inspections, there are no objections to be raised.

On March 18, 2020, the Supervisory Board approved the Annual Financial Statements and Consolidated Financial Statements presented by the Executive Board. The Supervisory Board concurs with the Executive Board's proposal for the appropriation of distributable profit.

DB Beteiligungs-Holding GmbH, a wholly-owned subsidiary of Deutsche Bank AG, holds a 79.49% stake in DWS KGaA. As there is no control and / or profit and loss-pooling agreement between these two companies, the Executive Board prepared a report on the company's relations to affiliates (Dependency Report) for the period from January 1, 2019 to December 31, 2019, in accordance with Section 312 of the German Stock Corporation Act (AktG). The Dependency Report was audited by KPMG, the independent auditor appointed by the company. The independent auditor did not raise any objections and issued the following statement in accordance with Section 313 of the German Stock Corporation Act (AktG): "According to the results of our audit there are no objections to be made pursuant to Section 313 (4) of the German Stock Corporation Act (AktG) against the report of the Executive Board on relations with affiliated companies. We hereby issue the following unqualified audit certification in accordance with Section 313 (3) of the German Stock Corporation Act (AktG) on the report of the Executive Board on relations of DWS Group GmbH & Co. KGaA, Frankfurt am Main, with affiliated companies for the financial year 2019:

To DWS Group GmbH & Co. KGaA, Frankfurt am Main: Based on our dutiful audit and assessment, we confirm that 1) the statements actually made in the report are correct, 2) that the company's consideration for the legal transactions mentioned in the report was not unduly high or that disadvantages have been compensated, 3) that the measures mentioned in the report do not speak in favour of an assessment that differs from that of the Executive Board." The dependency report and the audit report of the auditor were made available to the Audit and Risk Committee and the Supervisory Board. The review did not lead to any objections. Likewise, the Supervisory Board did not raise any objections against the declarations of the Executive Board concerning the relations to affiliates.

Personnel Developments

On June 5, 2019, the Annual General Meeting elected Ms Annabelle Bexiga and Mr Richard I. Morris, Jr. as shareholders' representative on the Supervisory Board for a term of 4 years. Mr Richard I. Morris, Jr. had previously been appointed to the Supervisory Board on October 18, 2018 by the responsible court until the end of the 2019 Annual General Meeting.

Effective July 10, 2019, Ms Sylvie Matherat resigned from her position as shareholders' representative of the Supervisory Board of DWS KGaA. We thank Ms Matherat for her work and for her constructive assistance to the Supervisory Board, including in particular her contribution in the Audit & Risk Committee, during her term of office.

In addition, Mr Ozeki resigned from his office as shareholders' representative on the Supervisory Board, effective with expiry of April 10, 2020.

We would like to thank the DWS's employees for their strong commitment in this – from the company's perspective – challenging and successful year.

Frankfurt am Main, March 18, 2020

For the Supervisory Board



Karl von Rohr
Chairman